Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Vol. 3. No. 9 New York, N. Y., February 29, 1960 $6 A YEAR U.S. AND CANADA $25 A YEAR FOREIGN

Price Boosts Are Going to Be Spotty, Cautious

P.A.'s Searching for Foreign-Buying Formula Find Out There Isn't One

New York—Some 75 leading purchasing executives assembled here last Monday intent on devising, through joint discussion, a magic formula for foreign buying.

They departed three days later, at the conclusion of an American Management Association seminar on "World-Wide Purchasing," minus such a formula—and firmly convinced there is none.

As one executive put it, "There's no one all-encompassing formula to fit all companies or all industries. There are too many facets to the problem and it can only be resolved on an individual basis."

But out of the sometimes heated debate on whether or not to buy abroad—which ranged from flag-waving speeches on "Buy American" to stern commentaries on how to meet foreign competition — three important facts emerged.

Here they are (in question and answer form):

Q. How will buying abroad affect my company?

A. Foreign purchasing may be a necessity for a firm hard-pressed by competitors who do a great (*Turn to page* 25, *column* 1)

Wanted: Stamplickers

Washington—Uncle Sam is amassing what is probably the world's largest collections of trading stamps.

It all began when General Services Administration ordered drivers of federal autos to turn in the stamps they got when filling up on Uncle Sam's credit card.

Now GSA is negotiating with the trading companies for a cash refund. One question still unresolved: Who's going to lick the stamps?

Government Sets Out To Standardize Its Buying Procedures Through GSA

Washington—The government is moving to standardize and unify its entire set of procurement ground rules and procedures—which now differ and vary from agency to agency—under a single set of regulations eventually supervised by the General Services Administration.

The first step in this direction came 10 days ago, when GSA published a new standard regulation governing all formal advertising purchasing, that is, open competitive bids, on personal property and non-personal services. The new rules do not affect what is bought by advertised bid or negotiated contract.

GSA plans to extend the same (*Turn to page* 4, *column* 3)

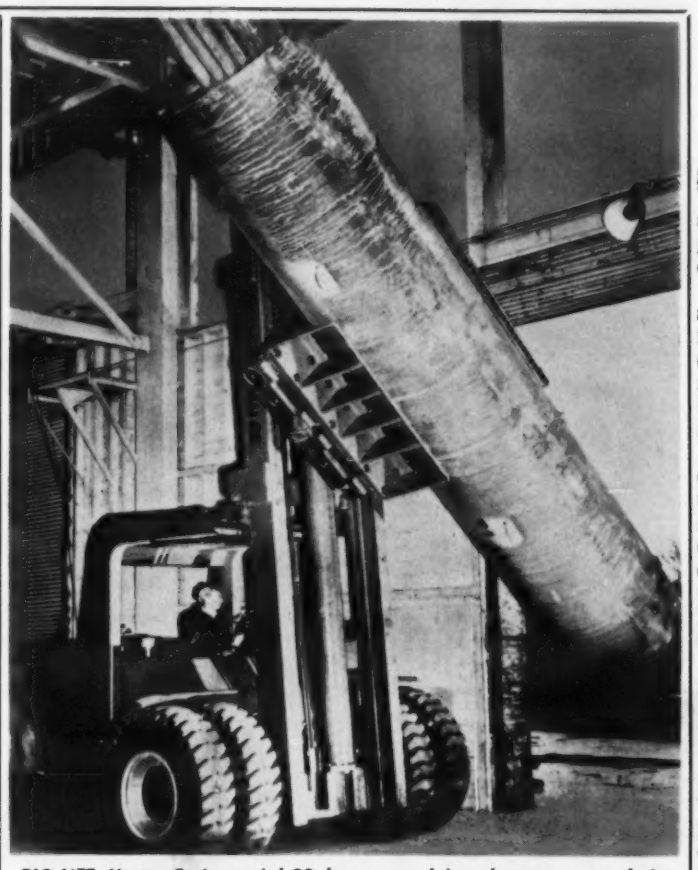
U. S. Asks Tool Firms About Modernization

Washington—Top government agencies are asking machine tool makers—who want a government policy that recognizes their importance to U. S. mobilization—these two questions:

1. Why are metalworking plants allowing their equipment "to become progressively obsolete?" and

2. Why have metalworking plants "failed in many instances" to take advantage of the more liberalized depreciation allowances made available to them since the 1954 overhaul of the tax code?

As a result of meetings between industry officials with of- (*Turn to page* 25, *column* 3)



BIG LIFT. Hyster Co.'s special 90-degree revolving clamp now can hoist as much as 27,500 lb., raise load to height of 18 ft. off the ground.

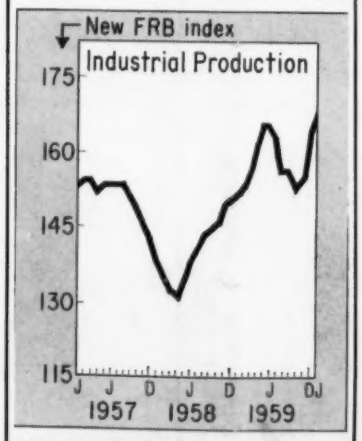
Trucking and Barge Interests Try To Block Rails' Guaranteed Rates

Washington — Truckers and barge operators are girding for a new battle to prevent the railroads from getting Interstate Commerce Commission approval of guaranteed shipping rates.

The ICC has never permitted guaranteed rates, but it is currently studying two cases, involving shipments of rugs and pipe products, that could establish the principle.

With shipping interests anxiously awaiting ICC action in these pioneer cases, the Soo Line railroad has come up with a plan to extend guaranteed rates to residual fuel oil shipments.

This latest plan is now before the Western Trunk Line Committee. Approval for the rates there will bring the case before the ICC. Associations of barge operators and truckers have got wind of Soo Line's new proposal, and are (*Turn to page* 25, *column* 3)



NEW FRB INDEX adds new elements, accuracy, for details, see p. 14.

Unspectacular Demand, Vigorous Competition Offset Soaring Wages

New York—"Sure wages are going up but what can we do? With competition the way it is, any general increase is out. We've got to play every price increase by ear."

That is how the president of a large Midwestern equipment firm sums up one of the current economic facts of life: Wages are rising on a broad scale, but price increases are spotty—and generally quite modest.

A PURCHASING WEEK spot check of leading firms around the country reveals that businessmen are basing their price decisions on more than just labor costs. Competition (both domestic and foreign) as well as only "fair to middling" demand exert a strong influence on price.

As a result the price outlook is shaping up something like this:

•**STEEL PRODUCT PRICES:** Increases will be spotty and seldom above 5%. Some areas where small price boosts will appear include: heavy transportation, auto supplies, farm equipment, construction equipment.

In most other areas no definite trend is discernible. True, some firms are raising prices. But for every such firm there are several others who will be "sitting out this round."

•**STEEL PRICES:** A great many firms expect steel prices to go up by year-end. That could be the signal for more widespread rises than are anticipated now.

But as one Deep South producer of valves and fittings put it: (*Turn to page* 26, *column* 1)

P/W PANORAMA

- **"Microelectronics" and "Solid State Circuits"** are a couple of words you should add to your vocabulary in a hurry. They apply to a new technology whose object is to reduce electronic gear to postage-stamp size (or smaller). Product Perspective (p. 17) gives the pitch.
- **Oil Prices Will Drift Downward for Several Months.** Then stabilize and rebound. Effects of the steel strike and increased production are giving users a break now; but voluntary restraints and rising demand will reverse the situation shortly. (More on p. 3).
- **The Steel Drum Industry Is Making a Bid** for wider acceptance by adding linings that give greater versatility in the shipment of liquids. For a roundup of the situation, see article on p. 6.
- **Industry's Itch to Move Around** poses a problem—and a challenge—to the P.A. because transportation and supply lines are affected. Fantus Factory Locating Service's long experience in expediting migrations gives you some clues to keep in mind. (More on pp. 22-23.)

This Week's

Purchasing Perspective

FEB. 29–MAR. 6

FOLLOW THE LEADER—While the steel settlement has taken labor negotiators in other industries off the hook, it is giving many manufacturers fits trying to decide what to do about 1960 prices in their product lines.

Settlements are coming along in quick time in a variety of industries with most holding to the Steelworkers' 7¢ to 10¢ per hour direct wage increase formula. In many instances (see story above) firms that haven't put through immediate price hikes following contract settlements still concede at least modestly higher prices are likely to show up later in the year—especially if steel producers carry out their earlier implied threat to up prices toward the end of '60.

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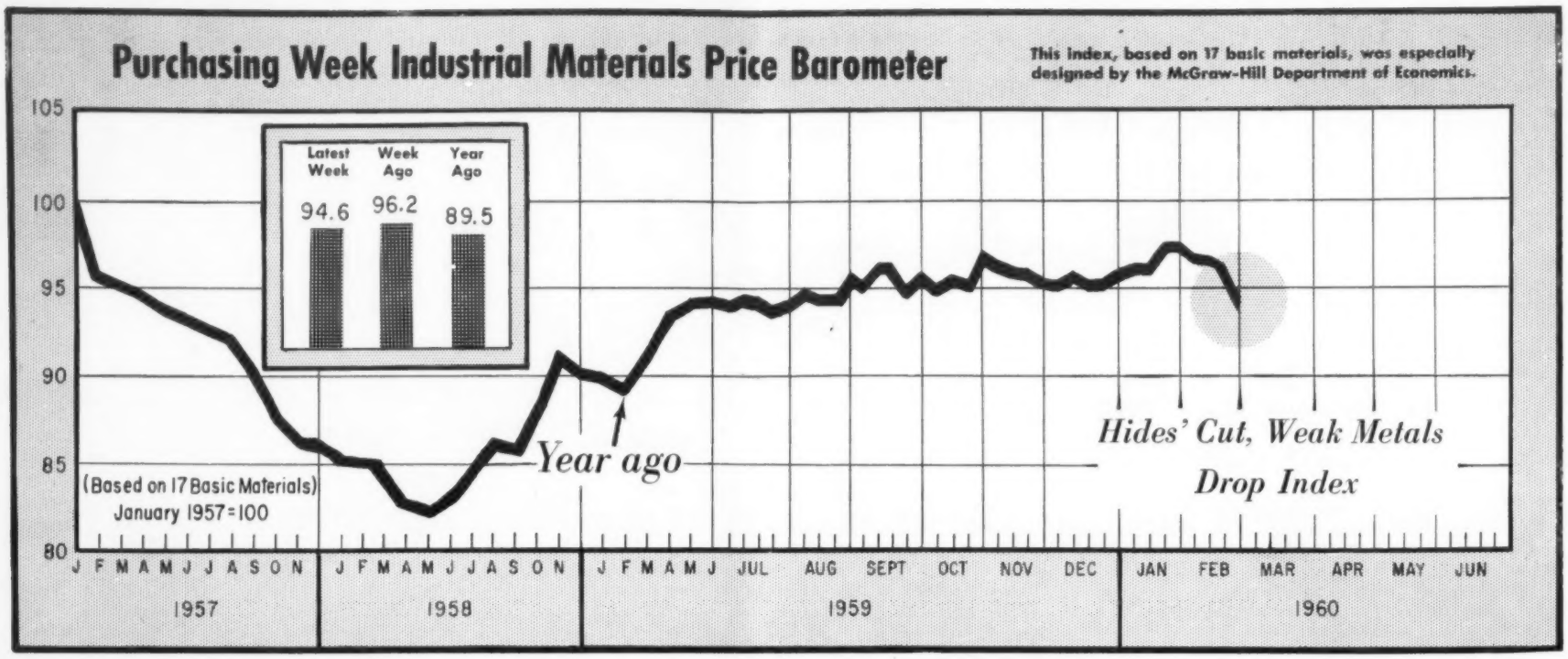
SMOOTH SAILING—It is still no love feast, but new contract agreements have been easier to negotiate since the steel factions got together in early January.

Some recent examples: The Glass Containers Manufacturers Institute (representing 79 plants) has just signed a new two year agreement with glass bottle blowers. These skilled glass workers will receive a 6½¢ to 13½¢ increase the first year and another (*Turn to page* 25, *column* 1)



This Week's Commodity Prices

	Feb. 24	Feb. 17	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	**67.00**	67.00	67.00	**0**
Pig iron, basic, valley, gross ton	**66.00**	66.00	66.00	**0**
Steel, billets, Pitts., net ton	**80.00**	80.00	80.00	**0**
Steel, structural shapes, Pitts., cwt	**5.50**	5.50	5.50	**0**
Steel, structural shapes, Los Angeles, cwt	**6.20**	6.20	6.20	**0**
Steel, bars, del., Phila., cwt	**5.975**	5.975	5.975	**0**
Steel, bars, Pitts., cwt	**5.675**	5.675	5.675	**0**
Steel, plates, Chicago, cwt	**5.30**	5.30	5.30	**0**
Steel scrap, #1 heavy, del. Pitts., gross ton	**36.00**	43.00	43.00	**—16.3**
Steel scrap, #1 heavy, del. Cleve., gross ton	**39.00**	39.00	43.00	**— 9.3**
Steel scrap, #1 heavy, del. Chicago, gross ton	**34.00**	37.00	44.00	**—22.7**
Aluminum, pig, lb	**.26**	.26	.247	**+ 5.3**
Secondary aluminum, #380 lb	**.25**	.25	.218	**+14.7**
Copper, electrolytic, wire bars, refinery, lb	**.327**	.329	.297	**+10.1**
Copper scrap, #2, smelters price, lb	**.253**	.26	.258	**— 1.9**
Lead, common, N.Y., lb	**.12**	.12	.11	**+ 9.1**
Nickel, electrolytic, producers, lb	**.74**	.74	.74	**0**
Nickel, electrolytic, dealers, lb	**.74**	.74	.74	**0**
Tin, Straits, N.Y. lb	**1.011**	1.018	1.048	**— 3.5**
Zinc, Prime West, East St. Louis, lb	**.13**	.13	.11	**+18.2**
FUELS†				
Fuel oil #6 or Bunker C, Gulf. bbl	**2.00**	2.00	2.00	**0**
Fuel oil #6 or Bunker C, N.Y. barge, bbl	**2.37**	2.37	2.37	**0**
Heavy fuel, PS 400, Los Angeles, rack, bbl	**2.15**	2.15	2.15	**0**
Lp-Gas, Propane, Okla. tank cars, gal	**.045**	.045	.055	**—18.2**
Gasoline, 91 oct. reg., Chicago, tank car, gal	**.11**	.11	.115	**— 4.3**
Gasoline, 84 oct. reg., Los Angeles, rack, gal	**.112**	.107	.113	**— .9**
Kerosene, Gulf, Cargoes, gal	**.09**	.09	.104	**—13.5**
Heating oil #2, Chicago, bulk, gal	**.091**	.091	.11	**—17.3**
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	**90.50**	90.50	90.50	**0**
Benzene, petroleum, tanks, Houston, gal	**.34**	.34	.31	**+ 9.7**
Caustic soda, 76% solid, drums, carlots, cwt	**4.80**	4.80	4.80	**0**
Coconut, oil, inedible, crude, tanks, N.Y. lb	**.193**	.19	.21	**— 8.1**
Glycerine, synthetic, tanks, lb	**.293**	.293	.278	**+ 5.4**
Linseed oil, raw, in drums, carlots, lb	**.176**	.176	.163	**+ 8.0**
Phthalic anhydride, tanks, lb	**.165**	.165	.165	**0**
Polyethylene resin, high pressure molding, carlots, lb	**.325**	.325	.35	**— 7.1**
Rosin, W.G. grade, carlots, fob N.Y. cwt	**13.70**	13.70	9.85	**+39.1**
Shellac, T.N., N.Y. lb	**.31**	.31	.30	**+ 3.3**
Soda ash, 58%, light, carlots, cwt	**1.55**	1.55	1.55	**0**
Sulfur, crude, bulk, long ton	**23.50**	23.50	23.50	**0**
Sulfuric acid 66° commercial, tanks, ton	**22.35**	22.35	22.35	**0**
Tallow, inedible, fancy, tank cars, N.Y. lb	**.056**	.056	.073	**—23.3**
Titanium dioxide, anatase, reg. carlots, lb	**.255**	.255	.255	**0**
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.	**17.20**	17.20	17.00	**+ 1.2**
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.	**25.20**	25.20	24.20	**+ 4.1**
Chipboard, del. N.Y., carlots, ton	**100.00**	100.00	100.00	**0**
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	**9.25**	9.25	9.00	**+ 2.3**
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	**6.30**	6.30	6.40	**— 1.6**
Old corrugated boxes, dealers, Chicago, ton	**20.00**	20.00	23.00	**—13.0**
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl	**3.65**	3.65	3.65	**0**
Cement, Portland, bulk carlots, fob N.Y., bbl	**4.18**	4.18	4.29	**— 2.6**
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm	**124.00**	124.00	124.00	**0**
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm	**138.00**	138.00	135.00	**+ 2.2**
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm	**118.00**	118.00	112.00	**+ 5.4**
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd	**.105**	.104	.104	**+ 1.0**
Cotton middling, 1", N.Y., lb	**.333**	.333	.358	**— 7.0**
Printcloth, 39", 80x80, N.Y., spot, yd	**.222**	.222	.185	**+22.0**
Rayon twill 40½", 92x62, N.Y., yd	**.235**	.235	.22	**+ 6.8**
Wool tops, N.Y., lb	**1.485**	1.485	1.39	**+ 4.0**
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb	**.20**	.22	.21	**— 4.8**
Rubber, #1 std ribbed smoked sheets, N.Y., lb	**.401**	.402	.301	**+33.2**

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

FEBRUARY 29–MARCH 6

THE OVER-ALL TREND OF MONEY has shown signs of easing during the past few months—both in terms of cost and availability.

As a result, your own firm's borrowing costs—for inventory and other purposes—may be a bit lower in the coming months.

The recent trend in 90-day Treasury bills is one example of this easing. Rates on these bills—sensitive indicators of short-term borrowing costs—dropped from a high of 4.7% in late December to 3.6% by mid-February. That's a decline of 20% in the price for money.

While the Treasury rate has subsequently recovered some of this loss, it will probably remain well below early winter peaks.

Why the easing? Actually, it can be traced to a combination of forces—all joining together to make money more plentiful and cheaper.

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(1) THE SEASONAL INFLUENCE is the factor most often mentioned by analysts trying to appraise the current trend in interest rates.

There's always some relaxation in the money market at this time of year—as business pays off debts with money earned from sales of goods purchased before the winter holidays. But this year the weakness has lasted longer and has been much deeper than can be justified by this "seasonal" force.

(2) BUSINESS DEMAND provides some of the missing answers.

Bidding up of funds by the nation's corporations has been less than expected. And it's due to 2 reasons:

• **Inventories**—Post-steel strike replenishment has been at a relatively unhurried pace—thereby reducing earlier estimates of money requirements.

• **Depreciation allowances**—Many experts underestimated the money already in corporate tills (derived mainly from depreciation deductions). These reserves—about $22 billion this year—are almost three times the amount set aside in 1950 (see pages 8-9). Such sums reduce dependency on outside money sources.

(3) THE GOVERNMENT is still another factor to consider.

In the first half of '60, Washington will be taking in $6 billion more than it spends. This puts Uncle Sam in the unaccustomed role of creditor.

It means he won't be making quite as many trips to the short-term money market (now his only source with the long-term interest rates ceiling still frozen). It means the removal of one big pressure on available funds.

(4) CONSUMER CREDIT completes the picture.

Purchases of autos and other consumer durables have fallen a bit short of the rosy predictions made at the turn of the year.

And since the majority of these purchases are financed through credit, money demand pressure from this sector has tended to be surprisingly moderate. Latest report on installment credit, for example, shows the smallest rate of increase in over a year.

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WHAT'S THE OUTLOOK?

• **On credit availability**—With business displaying less-than-hoped-for vigor, the nation's money managers will be more on the alert than ever to prevent a repetition of the late 1959 credit squeeze.

• **On discount rate**—Current business and credit conditions won't warrant any boost in the discount rate (the interest rate the Fed charges its member banks for loans). But don't look for any cut in this rate.

• **On long-term money**—Current leveling off in short-term credit costs won't end the need for higher interest rate ceiling on government bonds. Look for continued congressional wrangling on this subject.

PURCHASING WEEK is published weekly by McGraw-Hill Publishing Co., Inc., at 99 N. Broadway, Albany 1, N. Y. Second class postage paid at Albany, N. Y. Subscription $6 a year in U. S. A.

Oil Prices Should Rebound by 2nd Half of '60

Industry Demand Plus Rise in Auto Travel Should End the Downward Drift That Began Early in 1959

New York—The downward drift in oil prices, which started in March of 1959, probably will continue through the early months of 1960. But well before the first half is over, the price floor should be reached and the rebound begin.

Oil prices should start to firm with the beginning of the seasonal upsurge for gasoline demand. And—without last year's steel-strike interruption of industrial demand—the usual May through-August rise should take place.

In fact, oil tags may start climbing a month earlier than usual. Mid-continent refiners have just boosted gasoline ½¢ a gallon and similar Gulf Coast boosts are expected to follow.

For the first half as a whole, however, oil prices should average lower than over the first half of 1959, although 1960's second half should see firmer tags than was evidenced in later 1959.

That's a direct contrast to what happened last year. Price weakening in the second half of 1959 sank oil tags 2.7% below second-half 1958 levels (see chart at right). Till then, 1959 prices were averaging almost 1% above the like 1958 period.

This price weakness developed for two main reasons:

- The steel strike slowed down industrial demand for oil products.
- Increased refinery production—6% over 1958 (see chart)—brought about a huge inventory glut by late spring which hung over the market, depressing prices.

The first two months of 1960 saw excess inventories being built up again in almost all oil product categories. As a consequence, January prices subsided to a five-year low for that month—and when the February returns are in a further drop will be registered.

But this was caused mainly by unusually mild weather cutting down the seasonal demand for fuel oils. A cold spell would go far to alleviate the excess inventory situation.

But even if the winter continues mild, there are some basic reasons for optimism in the oil industry. They are:

- **Demand**—A 4% gain is foreseen for oil products this year. This is based on a 2% population growth, an 8-9% increase in national energy requirements, and a 6½% gain in world oil use exclusive of the U. S.
- **Increased automobile travel.** Even with the lowered sights for automobile sales brought about by recent sales trends, substantially more cars will be bought in 1960 than in 1959.

And the fact that gas-saving, compact cars will account for much of this increase, doesn't diminish petroleum industry optimism. After carefully assessing the impact of the economy cars, petroleum spokesmen have recently concluded they will increase the demand for gasoline because they "will mean more families with two cars and more families with one car."

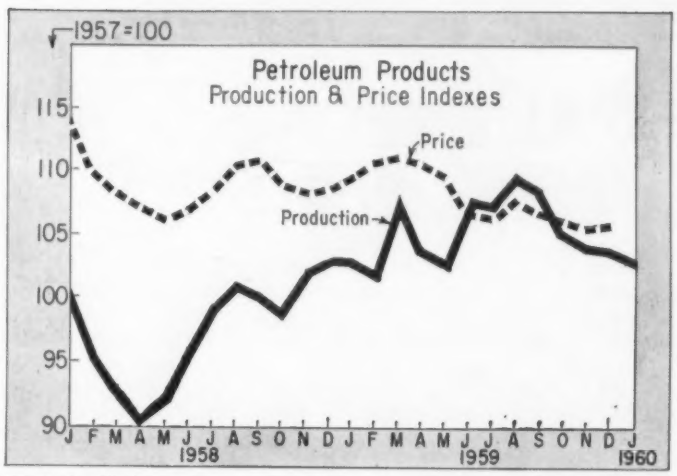
- **Voluntary production restraint.** Widespread concern about overproduction seems to be leading to efforts at self-restraint. The Texas Railroad Commission has cut allowable crude oil production in the state by about 4% for March. Many companies had asked for an even bigger reduction.

In addition, some of the big refiners, such as Philips Petroleum and D-X Sunray Oil, have announced cutbacks in their March petroleum refinery runs.

Despite these adjustments, however, the presence of huge inventories of refined products make it difficult to foresee any substantial price recovery before April.

How strong the expected recovery then will be depends again on the production restraint exercised by refiners.

But many observers feel that despite recent cutbacks, oil companies will be reluctant to continue to exercise self-restraint because of the economies to be obtained from high refinery runs.



Purchasing Week — February 29, 1960

This Week's

Washington Perspective

FEB. 29–
MAR. 6

Look for a big push to develop early this spring to jack up considerably the tariffs on imported machinery and tools of all descriptions.

The Commerce Department by then will release the first world wide survey ever made by the U. S. on sales of machinery and tools, both American and foreign made.

The survey was made under prodding from domestic producers. Detailed specifics are not complete yet, but the general picture is beginning to emerge.

Advance reports show an even more disturbing situation for American producers than was generally recognized. The findings are certain to create a new wave of protectionist demands.

The report will show that American machinery and tool sales abroad are declining. Even more alarming to domestic companies: Sales in the U. S. are slipping noticeably as American firms rush to buy cheaper foreign made products.

The trend is important here. U.S. machinery sales abroad have been declining for a number of years. The new report shows this trend accelerating now as foreign firms step up their activities and try to win new markets.

Big target now is the U.S. market. Competition from abroad is becoming keener. Domestic firms are now losing sales at home at an accelerating rate as well as those abroad.

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Tax reform aimed at increasing the amount of cash industry is allowed to retain for purchases of new plant and equipment is the real purpose behind a set of hearings hastily called for this week by the Ways and Means Committee of the House.

The immediate subject of the hearings is legislation that would change the tax treatment of gains realized by businesses from the sale of depreciable property. Under present rules, gains are taxable at capital gains rates. The Treasury Department has asked that the gains be taxed at the same rates as ordinary income —twice the capital gains rate.

This looks like a tax crackdown—and it is for those companies that have been able to make use of the capital gains provision. It means they will be paying more taxes.

But the Treasury has promised lawmakers that if this change is made in the law, Internal Revenue agents will be instructed to ease-up on depreciation decisions. This could lead to a situation where businessmen in general would be paying lower taxes, with the money thus saved going for new plant and equipment purchases.

Here's the background.

For years businessmen have been complaining that the tax laws do not allow property to be depreciated fast enough to reflect modern conditions. Revenue agents insist that a piece of equipment be written off over a 15 years period, for example, when actually it is obsolete in five years. This has meant lower deductions for depreciation, higher taxes, and less money for modernization.

These complaints reached a climax in hearings last year before the Ways and Means Committee. Expert after expert testified that the time has come to relax these old Treasury policies. Businessmen, the experts said, should be allowed more latitude in setting suitable depreciate rates.

Treasury Secretary Robert B. Anderson agrees—but only if Congress first withdraws the capital gains provision.

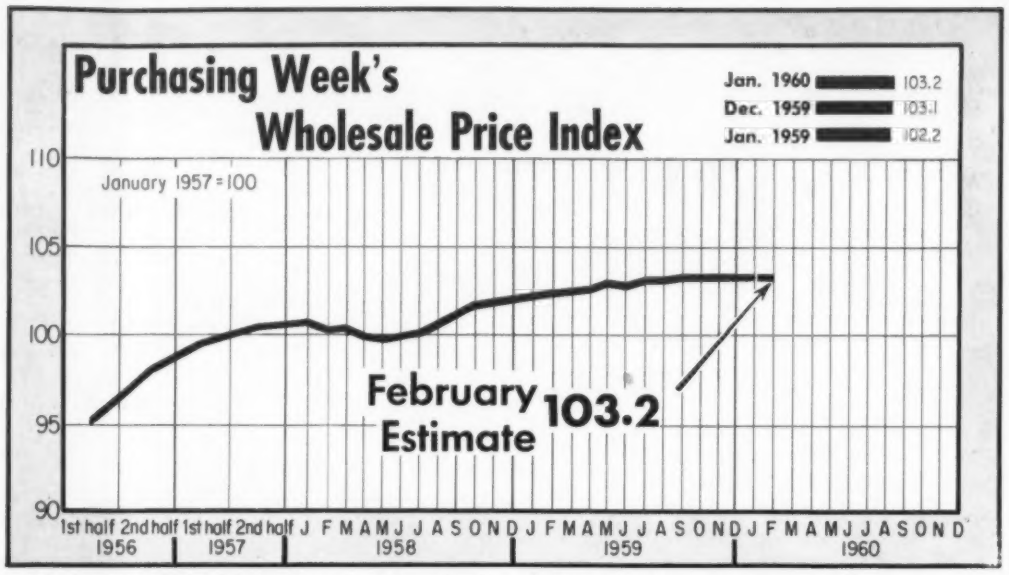
Legislation to accomplish this is being sponsored by the Chairman of the Ways and Means Committee, Rep. Wilbur Mills (D., Ark.) and by the ranking Republican member, Rep. Noah Mason (R., Ill.). The hearings were scheduled only two weeks after Anderson made his formal request—speedy action for this usually deliberate committee. The testimony will be crowded into three days of hearings.

All this indicates the committee may be ready to approve the change—and that the long-awaited liberalization of Treasury depreciation policies is closer than seemed possible a month ago.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,671	2,674*	2,506
Autos, units	158,723	153,186*	120,780
Trucks, units	30,384	29,824*	25,562
Paper operating rate, %	96.4	97.6*	88.1
Lumber, thous of board ft	248,556	237,535	221,369
Bituminous coal, daily aver thous tons	1,393	1,412*	1,363
Electric power, million kilowatt hours	14,226	14,071	13,259
Eng const awards, mil $ Eng News-Rec	307.8	342.2	285.7

* Revised



PURCHASING WEEK'S Wholesale Price Index edged up slightly in January—103.2 compared to the previous month's 103.1. About half the component prices remained unchanged—and while, among the others, there were twice as many increases as declines, the changes were generally very narrow. There were divergent movements among the textile and petroleum groups; cotton goods went up while manmade fibers declined, and rises in lubricating and residual fuel oils offset a gasoline drop.

Government Sets New Rules For Competitive Bids

(*Continued from page* 1)

kind of uniform procedural regulations later to advertised bids for real property and personal services, and to negotiated contracts. The regulation goes into effect July 1, 1960.

It lays down the paperwork for all agencies for the first time, including the Defense Department. The Pentagon's Armed Services Procurement Agency regulations were used as the guide, as they will be in other standardized regulations to follow.

The new regulation in effect adapts the military agency procedures for all other agencies. No basic policy changes will result, but the net effect is to require government buying agencies to give wider public notice of bid invitations to give all potential bidders a better chance of qualifying, and make them spell out more fully the exact specifications of the items needed and the precise terms and conditions of the procurement contracts under which the purchases will be made.

The competitive bid rules apply to all purchases of so-called "personal property and non-personal services." This means all physical goods except land and buildings or permanent attachments thereto, and all services not requested of a specifically named person—for example a particular engineer or scientist.

The categories remaining to be unified and standardized are procedures for buying real property, personal services, and negotiated contract bids for specific products under specific conditions.

The procurement unification move began over three years ago with a special White House Cabinet-level study group to recommend standard buying procedures. This evolved into the Office of Procurement Policy in GSA as a clearing house for all procurement regulations study—the office that issued the new regulation and will handle others to follow.

Eventually, say officials, ASPA may be merged into Office of Procurement Policy, putting all buying under a single roof.

This Month's Industrial Wholesale Price Indexes

Item	Latest Month	Month Ago	Year Ago	% Yrly Change
Cotton Broadwoven Goods	106.2	104.8	95.6	+11.1
Manmade Fiber Textiles	97.4	99.0	96.6	+ .1
Leather	119.6	117.4	112.6	+ 6.2
Gasoline	89.4	90.3	94.8	— 5.7
Residual Fuel Oils	74.3	73.2	73.5	+ 1.1
Raw Stock Lubricating Oils	105.2	104.5	96.7	+ 8.8
Inorganic Chemicals	102.6	102.4	102.2	+ .4
Organic Chemicals	99.5	99.4	99.5	0
Prepared Paint	103.4	103.4	103.3	+ .1
Tires & Tubes	89.6	89.6	102.1	—12.2
Rubber Belts & Belting	105.6	105.6	103.2	+ 2.3
Lumber Millwork	107.1	107.1	101.2	+ 5.8
Paperboard	99.8	99.8	100.0	— .2
Paper Boxes & Shipping Containers	101.9	101.9	101.9	0
Paper Office Supplies	101.9	101.9	101.2	+ .7
Finished Steel Products	109.2	109.2	109.3	— .1
Foundry & Forge Shop Products	106.8	106.8	106.2	+ .6
Non Ferrous Mill Shapes	100.1	98.4	94.8	+ 5.6
Wire & Cable	95.8	95.4	88.4	+ 8.4
Metal Containers	103.7	103.7	106.0	— 2.2
Hand Tools	110.7	110.4	109.2	+ 1.4
Boilers, Tanks & Sheet Metal Products	102.3	102.4	99.3	+ 3.0
Bolts, Nuts, etc.	107.6	108.6	105.6	+ 1.9
Power Driven Hand Tools	108.1	107.8	108.3	— .2
Small Cutting Tools	114.9	114.9	106.0	+ 8.4
Precision Measuring Tools	109.3	109.3	106.1	+ 3.0
Pumps & Compressors	111.6	111.9	110.9	+ .6
Industrial Furnaces & Ovens	121.2	121.2	115.9	+ 4.6
Industrial Material Handling Equipment	107.2	107.0	104.2	+ 2.9
Industrial Scales	115.2	115.2	104.8	+ 9.9
Fans & Blowers	104.3	104.3	105.1	— .8
Office & Store Machines & Equipment	104.9	105.0	103.4	+ 1.5
Internal Combustion Engines	103.2	103.2	103.7	— .5
Integrating & Measuring Instruments	118.1	118.1	114.7	+ 3.0
Motors & Generators	103.5	103.2	104.4	— .9
Transformers & Power Regulators	100.1	100.1	101.5	— 1.4
Switch Gear & Switchboard Equipment	108.3	108.3	104.6	+ 3.5
Arc Welding Equipment	103.5	103.5	105.0	— 1.4
Incandescent Lamps	130.9	130.9	110.3	+18.7
Motor Trucks	106.2	106.2	108.7	— 2.3
Commercial Furniture	106.1	105.8	105.5	+ .6
Glass Containers	105.8	106.3	106.3	— .5
Flat Glass	99.7	99.7	99.6	+ .1
Concrete Products	104.1	103.8	102.4	+ 1.7
Structural Clay Products	107.0	106.7	105.8	+ 1.1
Gypsum Products	104.7	104.7	104.7	0
Abrasive Grinding Wheels	94.8	94.8	98.7	— 4.0
Industrial Valves	116.7	116.6	104.7	+11.5
Industrial Fittings	106.4	106.4	106.9	— .5
Anti-Friction Bearings & Components	91.9	91.9	93.6	— 1.8

20,000 P.A.'s See Products Show

Chicago — Automation, in practically everything from vending machines to packaging machines, highlighted the 26th annual Products Show sponsored by the Purchasing Agents Assn. of Chicago here Feb. 16-18. About 20,000 buyers attended the show.

New Vending Machines

Many buyers congregated around a new vending machine manufactured by Apco, Inc., that dispenses soft drinks with crushed ice. Another vending machine high on the list of popular items was Acorn Sheet Metal Co.'s economy coffee dispenser, carrying a $450 price-tag. This new machine makes fresh brewed coffee 24 hours a day. Westinghouse's new water cooler designed to fit flush with the wall also proved an attention-getter.

New in automated packaging this year was the See-Safe Polyethylene plastic packaging machine distributed by Abana Products. The machine, designed to save costs of pre-formed bags and labor, can package on anything weighing between 2 oz. and 10 lb.

One booth that stopped traffic was the Lakeside Manufacturing Inc. Plastic Div.'s display of packaging parts. Lakeside's Mold-Pak, a new, molded, expendable polystyrene plastic, is used for packaging material and industrial components, and later can be used as a carrying case.

Still carrying out the automation theme, International Staplers showed a portable hand-boxer that punches in—as well as removes—screws, hooks, and nails.

Many buyers noted favorably that the show's "thoroughfare" system enabled viewers to pass from one booth to another with little tie-up. At the same time, a few remarked that space limitations prevented larger industrial machines from being displayed. Indications were that there may be an attempt to hold future shows in a larger exhibit hall.

Alcoa Plans to Double Output Of Enamel-Coated Aluminum

Davenport, Ia. — Aluminum Co. of America is planning to double its production capacity for enamel-coating aluminum sheet to meet rapidly rising demand.

An Alcoa spokesman said construction of two new "paint lines" will begin immediately at its huge sheet and plate mill here. Both units, to be installed in existing buildings, are slated for completion late this year.

A backlog of advance orders now has the company's recently completed paint line at its Tennessee facilities running near capacity. The plant produces wider enameled coated sheet (up to 60 in.) than was previously available in this product line, Alcoa said.

Packaging Firm Joins the List Of Lease Users

Chicago—One of the leading manufacturers of packaging machinery has jumped on the leasing bandwagon.

J. L. Ferguson Co., Joliet, Ill. has contracted with Nationwide Leasing Co. here to handle leasing arrangements for its line of Packomatic automatic packaging machines.

Long Term Leases

Both regular machines and custom installations will be available under the long-term lease plan, a Ferguson spokesman said. Included are various design concepts of shipping case openers, loaders, and glue sealers; case imprinters; bale or bag sealers; carton formers, fillers, and sealers; and round paper can makers, fillers, and sealers.

"Our new lease plan will enable many of our customers to modernize, expand, or improve their packaging operations now without taking working capital away from profit-producing activities," the spokesman said.

Aids Flexibility

The lease terms available—two, three, and five years—make it possible for management to have maximum flexibility in acquiring the use of modern packaging machinery and to effect reductions in operating costs.

There is no limit to the amount of machinery that can be leased under the plan, which will be available both in the U. S. and Canada through all J. L. Ferguson Co. representatives and sales agencies.

Steel Drum Makers Shoot for Wider Market by Using

New York—Now P.A.'s can use drums for any purpose. That's the consensus among the men in industry who ship liquids. Chances are the drum in use is steel. But does it have to be a new drum—or can a reconditioned drum do just as well?

Those are questions that all purchasing managers involved in moving liquids into or out of a plant must answer. Today, new developments in steel-drum shipping containers are making the answers come easier.

Big reason is creation of new linings that permit drums to hold chemicals, foods, and essential oils that used to require fancy—and expensive—containers.

Not only are drums becoming more versatile, but standards, techniques, coverings, processes, and accessories are being sharpened up by suppliers of steel drums. Here's how:

- Drum specifications set by American Standards Association have simplified ordering—as well as filling, handling, and shipping —procedures.
- Better handling techniques, now make the most of conveyors, lifts, pouring spouts, mixers, and rotators.
- Spray painting and baking methods for inside and outside coatings are speeding up drum production, opening the way for greater use of color to identify contents.
- Improved filling processes, are boosting quality control. For example, using nitrogen to keep air out of the drum insures absolute clarity of the contents.
- Accessories, such as lever locks are enabling drums to ship semi-solids (shortenings, paints, greases). Other accessories: vent plugs, drum head removers, and plug wrenches.

At Dow Chemical Co. plants, according to one manager, "Before the drums are ordered, a detailed Dow-designed drum specification sheet is filled out.

"Copies are given to purchasing and production as well as to the supplier. As a result, we get uniformity in construction and design.

"All incoming empty drums are spot checked for interior and exterior cleanliness, paint abrasion, dents, or damage. Potential leakage, contamination, or any other cause for customer dissatisfaction is quickly corrected."

As for the construction of steel drums, they are made in two general styles:

- Tighthead—for liquid products. These drums are ordinarily provided with threaded, or screw-type, openings. This is always true for highly flammable products, such as gasoline, and almost always for less flammable contents.
- Full removable head—for solids and semi-solids: nuts and bolts, paraffins, waxes, lubricating greases, and paints.

Rivalry is keen between new and used drum suppliers. Used drums are normally cheaper by about $2 per drum or 4¢ gal. capacity.

New steel drum prices vary slightly by area. Here is a sampling of current area tags as listed by selected manufacturers:

PITTSBURGH: Open head, approximately $7.05-7.30; Bung type (closed head), head filler approximately $6.60; side filler, listed at approximately $6.70.

Prices include delivery in metropolitan area.

EAST: Open head, full removable cover, 18 gage, 55 gal., approximately $7-7.37;

Bung type, $6.50.

Linings: clear, 65¢ per coat; pigmented, 80¢.

CHICAGO: Open head, $7.25-7.50; with special linings, approximately $8.75-9.25; open head, food drum lining, approximately $8.75-9.00; No. 2 open head unlined, approximately $7.25-7.75; Bung type, approximately $6.75-7.00; side fillers, approximately $6.90-7.10.

(All prices are for black finish. Extra for other colors.)

The Steel Shipping Container Institute, representing the new drum manufacturers, attacks the cost-to-purchaser problem in this way, says President Livingston Keplinger:

"The Institute is sponsoring a new project at Battelle Memorial Institute designed to develop lighter containers that would be more economical for shipment of liquids.

"Factors being studied are material (24-gage and lighter steel, and the use of other materials in conjunction with steel), size, shape, reinforcements, top and bottom joining, and closures."

Exactly what can lining do in the way of opening up new markets and uses for steel drums? Here is what four leading coating producers told PW:

- **Rheem Mfg. Co., Linden, N. J.:** "Working with our Thermovac Div. in Stockton, Calif., we developed the Sterilpac process. This is a sterile, vacuum method of cold packing food concentrates in drums whose exterior and interior surfaces have been electrolytically tinplated.

"In Sterilpac drums, food products susceptible to bacterial contamination are packaged successfully without preservatives or additives. The Thermovac process lets us ship such products as tomato, peach, pear, and apricot concentrate, which were formerly

...ew Linings, Techniques

...ipped in No. 10 and No. 12 ...n cans.

..."Users of Sterilpac drums tell ...," said Rheem, "that they save ...oney on the drums, as opposed ... tin cans on incoming freight ...d handling. Also, the users ...cover concentrate from the ...ums that normally would be ...st. And the drums can then be ...ld to a reconditioner at a fur...er saving."

• Vorac Co., Rutherford, ...J.: "The latest coatings, made from epoxy resins, offer unusual resistance to chemical attack. The coatings are nontoxic, retard corrosion, and withstand cracking, denting, and scratching.

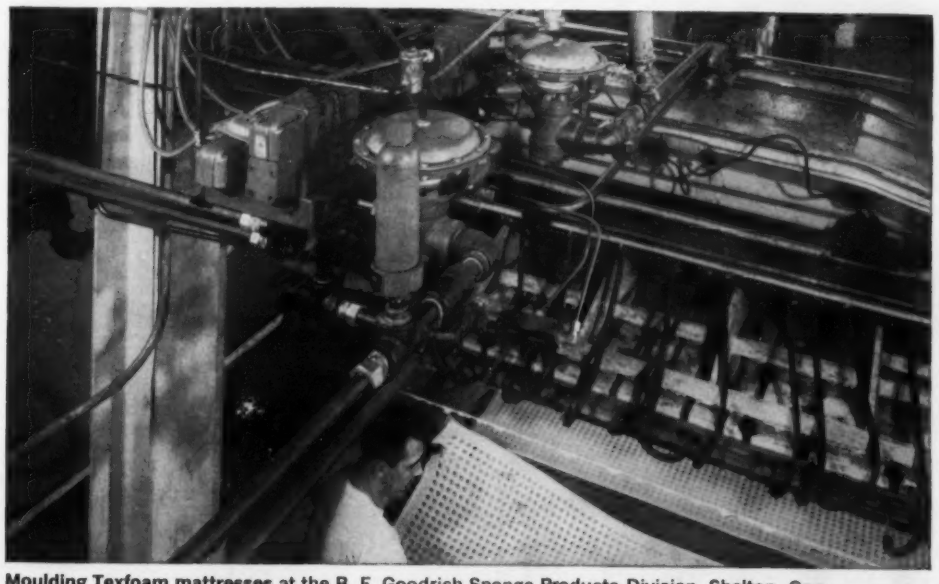
"Vorac recently introduced a new polyethylene lining designed to permit packaging a wider variety of acid and alkaline products not previously packagable in steel containers.

"This is a sprayable, high density polyethylene," said president David E. Hartman. "Test results appear encouraging."

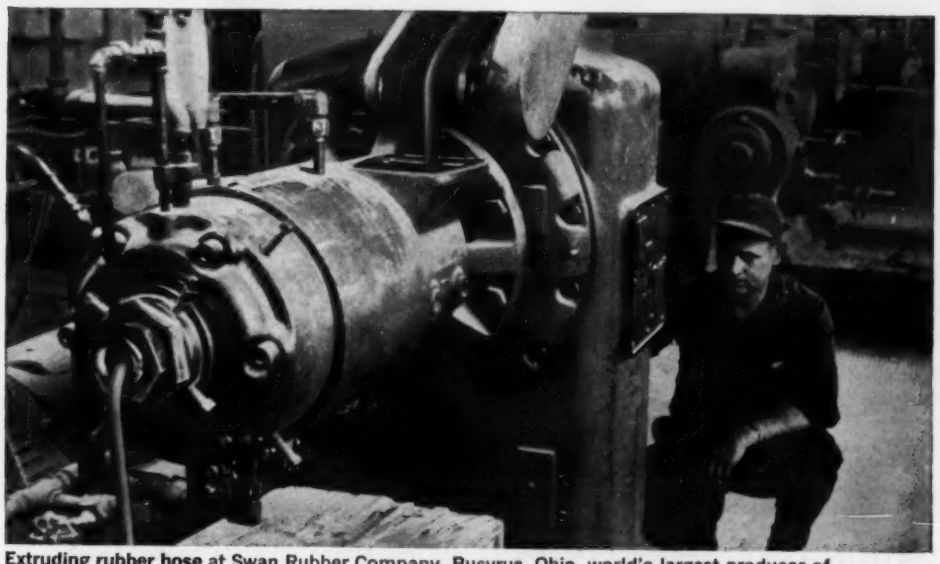
• Bennett Industries, Inc., Peotone, Ill.: "We are making new steel drums with a phosphate coating that inhibits rust and corrosion," said S. A. Bennett, president. "The film also provides a base for better lining and exterior paint adhesion."

• Delaware Barrel & Drum Co., Wilmington, Del.: "We manufacture a reusable rigid plastic drum that can be used inside the steel drum to increase the utility of both. It is unbreakable, nontoxic, and corrosion proof, inside and out."

The steel drum's biggest competitors are drums made of fiber, plastic, and aluminum.



Moulding Texfoam mattresses at the B. F. Goodrich Sponge Products Division, Shelton, Connecticut. Here, through hydraulic equipment as shown in upper foreground, Gulf Harmony supplies fluid power for 125 moulding presses.



Extruding rubber hose at Swan Rubber Company, Bucyrus, Ohio, world's largest producer of garden hose. The many precision gears in the speed reduction units of the extruder shown here operate in a bath of Gulf Harmony oil.

Industry News Briefs

More Styrene

Midland, Mich.—Dow Chemical Co. plans a major increase in styrene plastics production capacity in its plants here and in Freeport, Texas. Completion of the program late this year will bring Dow capacity to more than 800 million lb. per year.

"For some time now Dow has had engineering and process improvements in progress for a very large expansion, which will further strengthen our position as the largest styrene producer," a company spokesman said. "Substantial increases have already been accomplished."

And Aluminum Sheet . . .

Waterbury, Conn.—Work is now underway on a $5½ million program at Scovill Manufacturing Co. aimed at doubling the company's present output of aluminum sheet.

New rolling and finishing equipment will integrate the production of aluminum alloys from the melting of basic aluminum to the rolling of finished sheet. The program will take about two years to complete.

Fast Phosphor Bronze

Riverside, N. J.—H. K. Porter Co.'s Riverside-Alloy Metal Div. has established a new fast delivery policy on spring phosphor bronze strip.

The new delivery policy, which will cut several days—or possibly several weeks in some cases—from current delivery schedules, was made possible by the establishment of large stockpiles of all popular sizes of the material.

A New Terminal

Atlanta—Construction of a major Transcon Lines motor freight terminal at this Southeastern business hub is expected to be completed late this fall.

Transcom Lines, headquartered in Los Angeles, extended its operations into Georgia and Alabama last year with the purchase of B & M Express of Birmingham. The carrier maintains 26 terminals in its 12,000 mile nationwide system.

New Control Division

Schiller Park, Ill.—Controls Co. of America has consolidated two recent acquisitions, Hetherington, Inc., and Electrosnap Corp., into a new division, called the Control Switch Div.

A company spokesman said the new division will offer a broad product line, which includes such items as switch lights, push button switches, miniature toggle switches, precision snap-acting switches, holding coil switches and indicator lights, as well as electroluminescent panels.

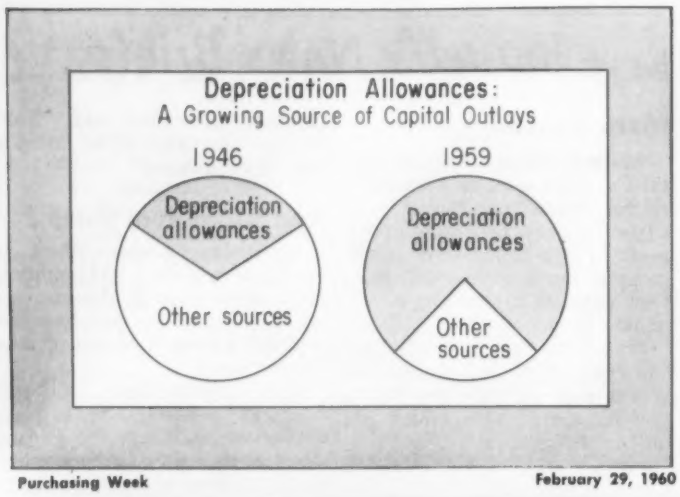
Torches with Propane

New York—Propane fueled utility torches and torch kits, called Bernz-O-Matic, are now being made available through the facilities of Air Reduction Sales Co. The equipment can be used for soft soldering, paint burning, copper tube sweating, jewelry making, and general applications requiring heat by plumbers, jobbers, etc.

Luggage Room

Denver—One of the nation's largest luggage manufacturers, Shwayder Bros. Inc., will spend $1 million this spring enlarging its plant for a fiber glass assembly line. The new production line will be capable of turning out 10,000 pieces of luggage daily.

The three story plant addition will be devoted entirely to increased production of Shwayder's Horizon line of fiber glass lightweight luggage introduced last December.



Depreciation Reserves Mount—But

New York—Buying capital equipment isn't creating nearly the financial problem it did some years ago. That's because depreciation reserves—an internal financing source—now supply about three quarters of the funds needed for equipment purchases.

The big question, however—raised in a recent McGraw-Hill depreciation study—is: Will these reserves remain adequate for capital purchases over the next few years.

This question is behind the increasing pressure being put on Congress to pass legislation liberalizing depreciation allowances. The Senate Small Business Committee has just concluded extensive hearings—and is recommending shorter depreciation periods, higher depreciation allowances, and other proposals to build up depreciation reserves.

It's also an important question for P.A.'s.

For, while there is no direct accounting connection between depreciation allowances and spending for new plant and equipment, studies have shown a most definite company policy connection.

In a 1954 McGraw-Hill survey, for example, 90% of the companies queried said they "made it a practice to spend all their depreciation on new plant and equipment."

So the chances are that your budget for the purchase of new and replacement equipment is largely determined by the depreciation funds at the disposal of your company.

The McGraw-Hill depreciation study shows (see chart on left) that depreciation reserves—less than ⅓ of capital expenditures in 1946—have grown to 75% of these outlays in 1959.

This tremendous growth of depreciation allowances as a source of capital funds was caused mainly by three developments over the postwar period:

• **War-deferred expansion** — This was the period of widespread scrapping of obsolete plant and equipment right after World War II, and the replacement and expansion of these facilities with modern up-to-date equipment as the U. S. embarked on its war-deferred prosperity.

• **Upgrading** — Modernization meant upgrading in the cost of new equipment. This meant that depreciation rates, applied to more expensive capital goods, had to boost depreciation reserves.

• **Faster depreciation write-offs**—Higher depreciation rates were allowed for much of the capital goods which came into use during World War II and the Korean War. This also meant a higher than normal flow into depreciation reserves.

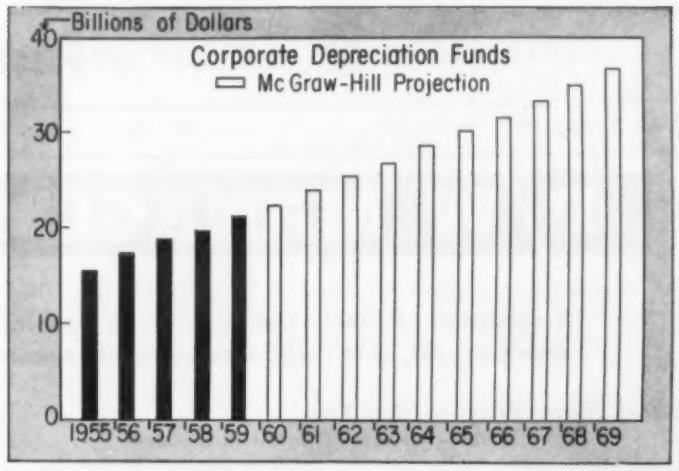
The equipment eligible for preferential depreciation rates has been largely written off by now. But, according to the McGraw-Hill study, depreciation funds should continue to grow, spurred by the increased capital demands of a growing population, plus the turnover and upgrading of equipment as automation and research trends are accelerated.

The rate of increase in depreciation reserves is expected to be $1.4 billion a year up through 1962—starting from a corporate depreciation fund base of $21.2 billion in 1959. After 1962 the increments will increase slightly, until by 1969 the funds funneled to corporations from depreciation charges will amount to $36.8 billion—a growth of almost 75%

WELL-HANDLED SITUATION – The shipment of motor truck cabs by rail from Moline, Illinois to the West Coast for assembly posed an interesting material handling problem, recently, for International Harvester Company. For years, these cabs had been crated and shipped by box car. Recently, however, this method proved economically impractical because of the rising costs of crating and shipping. In order to solve the problem, International Harvester material handling engineers, in consultation with the railroad, devised these special device flat cars which enable a number of cabs to be bolted to a single frame – resulting in savings of several hundred dollars per carload. To protect the finished interiors of the cabs while in transit, each loaded flat car is equipped with two huge, fitted tarps made by M. Mauritzon & Company, Chicago, from Mount Vernon duck.

This is another example of how fabrics made by Mount Vernon Mills, Inc. and the industries they serve, are serving America. Mount Vernon engineers and its laboratory facilities are available to help you in the development of any new fabric or in the application of those already available.

Can They Balance Capital Spending?



from present levels (see chart at right).

But is it really adequate? Actually, despite its growth, there is a strong possibility that depreciation may decline in importance as a supplier of funds for financing capital investment over the next decade.

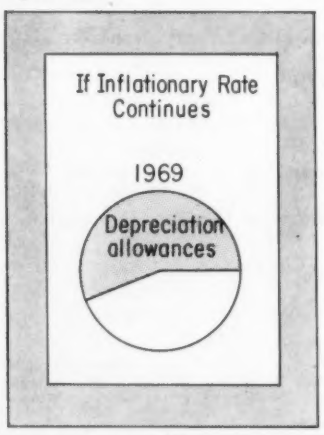
The reason: Inflation.

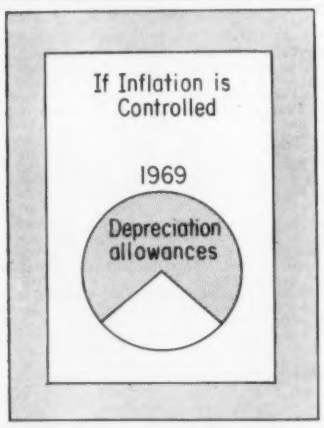
To judge how adequate the increased intake from depreciation allowances will be for financing capital purchases in 1969, we must consider how much these capital expenditures will be.

If inflation in capital goods is controlled—say prices increase at the rate of 1% a year—then, according to the McGraw-Hill study, capital expenditures for 1969—figured on continuing trends in population growth, new & replacement equipment—should be about $50 billion.

And the expected 1969 depreciation reserves would amount to more than 73% of the needed funds. In other words, depreciation would maintain its importance as a source of capital financing.

But if capital construction and equipment prices continue to climb at their postwar rate of 4% a year, then 1969 capital outlays would amount to $65.3 billion. And depreciation adequacy would shrink to 56% of the required expenditures.





Thus, continued inflation would mean that companies would have to use more of their earnings for equipment purchases, or finance them by outside borrowing. Also—since depreciation funds are generally earmarked for capital purchases—a decline in these funds relative to the needed expenditures would reduce the incentive to invest in capital equipment. (A 65-75% ratio of depreciation to capital outlays is considered as conducive to a high-investment economy.)

The forecasts are calculated on the basis of the current depreciation provisions of the tax law. Many authorities—such as G. Terborgh, research director of Machinery and Allied Products Institute—believe that, because of inflation in capital goods, present depreciation allowances fall far short of providing the funds needed for capital replacement.

But would increased depreciation allowances—solve the problem? Actually, raising a cost factor such as depreciation would in itself tend to raise prices and therefore be self-defeating.

Purchasing Week

Vol. 3, No. 9 FEBRUARY 29, 1960 Print Order This Issue 26,562

P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Read Your Way to the Top

"Many would-be executives stymie their potential because they read too slowly—substituting hard, time consuming work (or TV watching) for efficient goal-directed reading and study."

The result, says Dr. William Kulick, a reading specialist at Illinois Institute of Technology, is that executives aren't up to date on fast-changing technical processes and the latest business news. The man who will come out on top, says Kulick, will be the man who was first to put new methods to profit in his job. "The best way to keep pace with progress is by reading," Kulick says.

If you're not a fast reader, you can improve your speed and comprehension very simply: Just read more. Kulick notes, "reading is a skill, and it deteriorates with lack of use. Unfortunately, some people try to escape from their reading responsibilities . . . into social life, sports, mechanical hobbies, or television."

Here's Kulick's 20-day, do-it-yourself program to read yourself to the top:

1. Set aside a daily reading period.
2. Don't push yourself; read in a calm, relaxed way.
3. Note important passages and crucial facts as you go.
4. Go beyond your reading and explore suggested ideas.

Don't Sell Yourself Short

Top management thinks more of the purchasing profession than most P.A.'s do themselves. That's the finding of a PURCHASING WEEK survey of 131 top management men—corporate presidents and vice presidents. PW also queried an equal number of P.A.'s to compare their responses to the same set of questions. Here are the four major points the study brings out:

1. Purchasing men do not have to seek management status, they already have it in the eyes of 71% of the top managers. Another 17% felt the P.A. was a likely candidate for the management team.

2. Some purchasing men are ignoring golden opportunities to participate in management decisions. Top management felt P.A.'s should recommend inventory levels (58%) and handle the make-or-buy problem (35%). But P.A.'s queries didn't feel that these jobs were as important (45% and 31%).

3. Methods of reporting purchasing activities need an overhaul so that the P.A. will get full credit for his work. Many of the reports P.A.'s turn in don't tell the story.

4. Top management men have definite ideas on what they expect from P.A.'s as partners in increasing profits. Over 78% of top managers thought purchasing could make its greatest contribution by establishing and maintaining good supplier relations. But only 68% of the P.A.'s thought this was their number-one function.

Both groups agree that ordering in most economical quantities and negotiating money-saving purchases are next in importance. Also high on top management's list were better cooperation with other departments, keeping on the alert for better materials, methods and processes for the plant, and for new products ideas and services.

Tax Time Nears

A couple of helpful tax aids are available from Uncle Sam. One is the "Tax Guide for Small Business," a 144-page book that will help proprietors, partners and officers of small corporations wade through their form 1040 C's.

P.A.'s in smaller firms will find the sections on inventory valuation a big help. Everything is explained in layman's language and it's all official from the Internal Revenue Service. See your local IRS office, or send 40¢ to the Superintendent of Documents, Dept. T, Government Printing Office, Washington 25, D. C. For another 40¢ you can get the personally helpful 144 page booklet, "Your Federal Income Tax."

Teaching Old Managers New Tricks

Most P.A.'s aren't concerned about the years preceding their retirement; they are too busy. But some management experts see an ever growing problem in this area as our business population gets older. Melvin Anshen, a professor of industrial administration at Carnegie Tech, sums it up this way:

"No company of medium or larger size is without its share of older executives about whom the accepted judgement is: They've reached their potential. They have stopped growing. They are resting on their oars, waiting for retirement."

There is obviously a terrible waste of talent and experience when these mature managers don't pull their own weight. But there's a hidden cost, according to Anshen:

"A boss who has stopped growing is not likely to inspire . . . growth in the men who report to him. . . . It is a corrosive weakening of the drive for personal growth among the . . . managers at lower levels . . .".

How to stop the spread of this sleeping sickness? Anshen reports that some firms have started their older managers in development programs along with younger men. The oldsters pick up enthusiasm, from the younger men, and enjoy passing along business experience.

Short Pointer

Battle dispatch in the war on paper work from the Business Forms Institute! BFI reports that sales of manifold forms were up 14% in '59—to $400 million. But the newly-designed forms eliminated several million miles of complex paperwork.

Purchasing Week

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Vol. 3, No. 9 February 29, 1960

PURCHASING WEEK is published weekly by the McGraw-Hill Publishing Co., Inc., James H. McGraw (1860-1948), Founder. Publication Office, 99-129 North Broadway, Albany 1, N. Y. See panel below for directions regarding subscriptions or change of address.

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PURCHASING WEEK Asks . . .

How can purchasing help check inflation?

D. L. Lyons, director of purchasing, Johns-Manville Corp., New York:

"Purchasing can help by continuously searching for new materials and supplies with particular emphasis on those that will reduce cost. We encourage suppliers to resubmit ideas that may have been previously offered. Conditions change and it is possible that some recommendations will be adopted today that were not previously considered timely. Our 'request for quotation' form contains the following statements: '(1) Vendor should advise if additional quantity results in lower cost. (2) Your suggestions are also invited as to any possible change in specifications, substitutions or other ideas that would result in lower costs to us.' Every time we increase quality and cut costs we strike a blow at inflation, which is reducing the purchasing power of everybody's dollars."

H. A. Elliott, director of purchases, American Standard Products Canada, Ltd. (boilers, radiators, etc.), **Toronto:**

"I believe a purchasing agent can and does assist in checking inflation by doing his job efficiently. The purchasing agent's efforts to maintain or reduce prices of purchased materials and supplies by negotiation, investigation, value analysis, or substitution is a prime factor in controlling the upward spiral of costs. The success of his efforts in this field has a definite effect on the costs of his own company product and, thereby, again assists the control of prices."

N. T. Drummond, manager of purchasing, Fuller Brush Co., Hartford, Conn.:

"It can help by resisting unjustified price increases. For example—some companies have raised prices because of anticipated labor or material increases, or because the timing was considered good. On the other hand, if a price increase is necessary because of increased labor or material costs, it behooves the purchasing agent to try to find a substitute, or exert as much pressure as possible on the vendor to take another look at his manufacturing procedures with the thought of developing some automatic machinery or equipment so that an increase can be wholly or partially absorbed. The vendor should also take another look at his manufacturing methods. It may be possible some other cut can be instigated without affecting quality. Let us remember there is nothing more permanent than change."

W. G. Hollifield, purchasing agent, American Zinc Co. of Illinois, Dumas, Tex.:

"We, as purchasing agents, are in as good a position, if not better, than any other group to help check inflation. Our own departments, if operated inefficiently, contribute to price increases of the very product we sell. The result is more inflation. Perhaps we should take a closer look at our own operations. Secondly, I wonder if we accept price increases as 'the inevitable,' instead of remaining constantly alert to the possibility that a different product from another supplier might serve equally well and prove to be a better value."

D. B. Angell, purchasing agent, Economy Baler Co. (baling presses), **Ann Arbor, Mich.:**

"Purchasing has a prime responsibility in successful noninflationary efforts. It can help by eliminating the routine of buying and setting an example of work efficiency and productivity within its own scope that can rapidly rub off on other departments within the organization. Efficiencies in all facets of management and manufacturing procedures require an immediate renewed, increased, and continued appraisal. A program of systematic value analysis for dollar saving, profit building efficiency within our home organizations should be initiated and/or expanded before any thought be given to any added inflationary price increases. The 'hard sell' was the catch phrase in 'faltering '58.' For our present 'sizzling '60' we had better turn to the 'hard buy' and eliminate the word complacency as a descriptive term in our purchasing vocabulary."

Suggest a Question to: **PURCHASING WEEK Asks**
330 W. 42nd Street
New York 36, N. Y.

This Changing Purchasing Profession . . .

John J. Melhoff succeeds **Thomas D. O'Fallon** as purchasing agent, **Magnetic Controls Co.,** Minneapolis. O'Fallon, former purchasing agent and personnel director, moved up to the new post of personnel director and administrative assistant to the president.

Donald Rosin, purchasing agent for the **Telecommunications Div., Stromberg-Carlson,** Rochester, N. Y., was made value analyst. **Robert Stevens,** assistant purchasing agent, takes over Rosin's former post.

L. J. Keyes has been named vice president and director of purchases, a new post, by **Dayton Rubber Co.** He will have the responsibility of coordinating the purchasing functions of all the company's divisions.

Fred Schatz was made director of purchasing, Overseas Packaging Service, Detroit.

Richard L. Rush has joined **C. B. Nettleton Co., Inc.,** Clifton Forge, Va., as assistant manager in charge of purchases for the company.

Warren C. Light, who directs purchasing for **A. T. Ferrell & Co.,** Saginaw, Mich., was elected to the company's board of directors.

Charles E. Judge, vice president of procurement and a director of **American Sisalkraft Corp.,** Attleboro, Mass., retired recently after 37 years' service with the firm.

C. E. JUDGE

W. C. LIGHT

Foreign News in Brief

Oil Wages Hiked

Caracas — Venezuela's "Big Three" oil companies, Creole, Shell, and Mene Grande, bowed to "eleventh-hour" pressure by the government and signed a new wage agreement with the Communist-led Venezuelian Oilworkers Federation.

The new agreement, which affects some 35,000 of this country's 43,000 oilworkers, will cost the companies an estimated $106 million a year. The three year contract, providing for across-the-board wage increases of 10% to 12% and 40-hour work weeks, is expected to be adopted by Venezuela's other oil companies.

New French Combine

Paris—Four French industrial giants have joined with the French subsidiaries of Sylvania Electric Co. and Corning Glass Co. to form a new company that will manufacture sintered ceramic fuel elements.

The new company, Compagnie Industrielle des Combustibles Atomiques Frittes, will take over a pilot sintering plant in Orsay, Paris suburb. The plant has a capacity of 25 tons/year.

Alcan Ups Output

Vancouver—Aluminum Co. of Canada said last week it will up its Kitimat aluminum smelter output to 100% by mid-March.

The step up to full capacity of 186,000 tons/year was attributed to increased sales. Alcan officials indicated if sales continue to rise they would also resume work on potlines No. 7 and 8, shut down since the market slump of 1957 and 1958.

Narrow Escape

London—A nationwide British railway strike was narrowly averted last week when 350,000 union workers "were bought off" with a last minute 5% wage increase.

It means increases of from $1 to $1.70 for railway workers at a total cost to the industry of some $53 million. The settlement is considered an "interim" solution to the English railway financial crisis. More permanent solutions will be presented when the "Guillebaud" report on the situation comes out shortly. The report is expected to recommend further wage boosts.

No 'Pfennig Pinchers'

Bonn — The picture of the thrifty "pfennig-pinching" German buyer was badly shaken last week when West Germany's Federal Ministry of Economics released the results of a public opinion poll it had commissioned from the International Market & Opinion Research Co.

Of 3,500 persons questioned in the free German state, one woman in six didn't know the price of a loaf of bread. Men, including industry representatives did even worse. Asked if they preferred "shopping expensively to shopping cheaply," one in three answered, "Expensively!"

New York State Probing Chlorine 'Price Fixing'

Albany, NY—The state attorney general's office is digging into complaints concerning apparent price-fixing in bids on contracts to supply chlorine.

While the State Div. of Standards and Purchase refused to comment on the probe, a spokesman indicated that the identical price situation has spread to several areas in the state.

The investigation began several weeks ago following charges by Mayor John J. Burns of Binghamton that several companies had submitted identical bids on chlorine contracts.

Shippers Try to Avoid Rate War

Tokyo — Member steamship lines of the Japan-Atlantic and Gulf Freight Conference are trying to patch up a threatened rift in their group that could plunge the Japan-to-America trade route into another rate war.

Barber-Wilhemsen-Line, of Norway, one of the ten foreign-flag-line members of the group, has announced it will resign on April 15 because the Conference "has not taken any concrete measures" to counter competition from independent carriers.

Barber had proposed that conference freight rates be chopped 10% to 15% to compete with non-conference shipping companies. The nine Japanese member lines, however, said cuts of this order would cost them about $33 million a year.

More May Follow

Observers here expressed fear that, if the Norwegian line withdraws from the group, other European members will follow. Some of these lines already are reported to be dissatisfied with the Conference because Japanese and American members have gradually been increasing their shares of the trade. Japanese lines, for example, upped their round-trip voyages by 2/month last November.

A wholesale walkout by European lines would mean a return to the rate war that took place along the trade route in 1953, when shipping costs from Japan to the American East Coast fell from $35/ton to $10/ton, while Japan-to-West Coast rates dropped from $30/ton to as low as $8/ton.

Purchasers Hear Brainstorming Lore

New York—Members of the Metropolitan Purchasers Club received some tips on "brainstorming" techniques at their recent monthly meeting—and then put them profitably to use.

Joseph A. Hopkins, regional merchandising manager for Ethyl Corp., New York, told the buyers that brainstorming can frequently develop more and better ideas needed to stay ahead of the competition. He offered the following tips:

- Stay clear of a problem that is too broad—break it down first.
- "How can we improve on such and such," is usually the best phrasing.
- Never brainstorm a group of people on a subject on which it is unfamiliar.
- Have a minimum of five in each group and not more than eight.
- Keep ideas flowing.
- Do not evaluate ideas until the brainstorming session is over.

Following Hopkins' talk, association members held brain-storming sessions on two problems: "How can we increase our membership?" and "How can we reduce paperwork?"

Former Purchasing Agent Now Buys Companies

Los Angeles—A former aircraft industry purchasing agent has made the successful switch from $100-parts purchases to buying multi-million-dollar corporations.

Bernard Gira, who headed the buying operations at Douglas Aircraft Corp., about 12 years ago, recently was named president of United Industrial Corp., a three-month old industrial combine that was formed with the merger of Topp Industries Corp. and Old United Industries Corp.

The new firm, under Gira's direction, is rapidly buying up other companies in a mammoth expansion program in these industries:

- **Electronics.** United has extensive interests in such electronic and automation equipment firms as Aircraft Armaments Corp., Micro-Path Inc., U.S. Science Corp., and U.S. Semiconductor Corp, which represent an annual volume of $25 million per year for the parent company.
- **Construction materials.** A recent Gira-engineered purchase of Southern Pacific Milling Corp, a rock, sand, asphalt, and cement producer, has put United in a good position to go after part of the state of California's $3 billion construction budget for the sixties.
- **Heavy Industrial equipment.** United has interests in Detroit Stoker Co., Bawden Industries of Toronto, and American Engineering, suppliers of $4 million worth heavy stokers and grates for utilities each year.

Gira explains the secret of his success this way:

"As purchasing agent for a large corporation, one must have the ability to make a complete analysis of the supplier's capacity to execute the contracts to be placed with him.

"Since this analysis involves not only financial ability but also personnel and production facilities," he continued, "it gives the P.A. a keen insight as to what makes a company tick. When purchasing a company, many of the analytical factors required are the same as those required in determining the supplier's competence on a one-contract basis."

The United president is so convinced that P.A. experience is the best background for top management posts, he's even named another ex-buyer, Herbert J. Peterson, formerly of North American Aviation, as United Industrial's executive vice-president.

"The company's future program of action," Gira pointed out, will, in great part, be built on sound purchasing techniques.

BurroughsCorp.Rejiggers Organization to Meet Demands in Electronics

Detroit—Burroughs Corp. is undertaking a major reorganization program "to fully capitalize on the increasing demand for mechanical, electro-mechanical and electronic data processing equipments and systems."

The changes, which will go into effect March 1, include the merging and realignment of many staff and line activities in manufacturing and engineering, and in marketing.

Burroughs Div. and Electro Data Div. will be discontinued as organizational units. In the reorganized structure, their sales and service has been separated from manufacturing and engineering facilities. The marketing activities of these divisions will be joined in a new division to be known as "Equipment and Systems Marketing."

Kingsport, Tenn. Moves To Boost Buying Savings

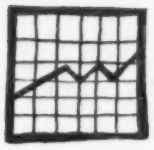
Kingsport, Tenn.—A move to combine the city's purchasing operations with other municipalities of the Tri-City area as an economy measure is now underway.

The proposal was made by vice mayor Jessie A. Godwin after he learned that three neighboring Florida cities had saved $35,000 through joint purchasing.

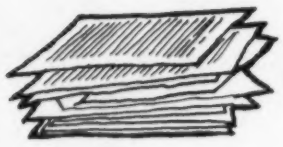
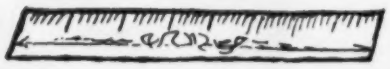
The city council agreed that the resultant large quantity purchases would probably bring lower bids from suppliers.

A 30-Second Primer on a New PU

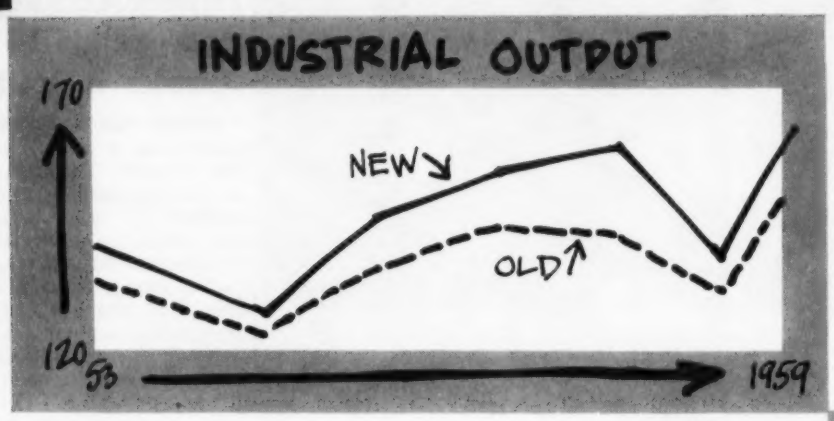
Uncle Sam has come up with a revised industrial production index.



The new index makes changes in three major areas:

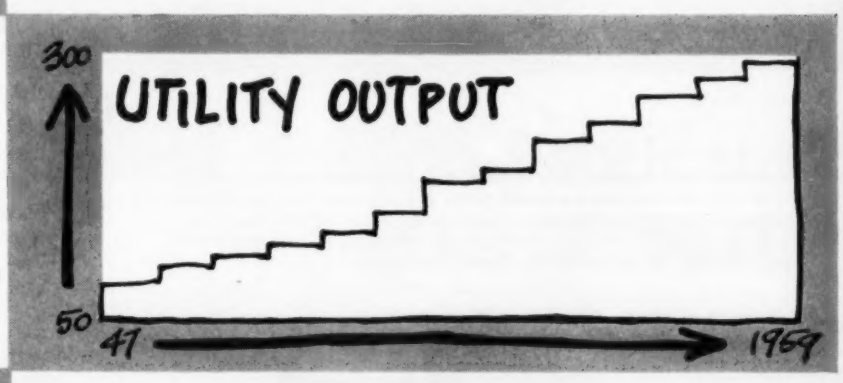
- It breaks down the market data  more usefully.
- It measures  the market more accurately.
- It covers additional areas, electricity  for instance.

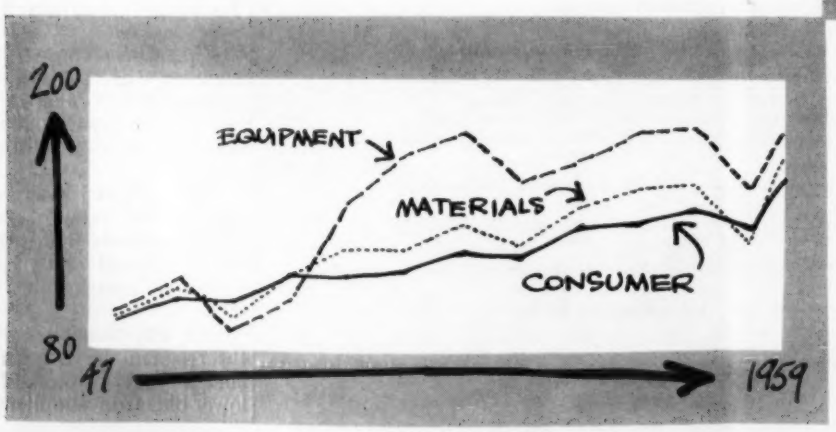
1. WHY IT IS A BETTER INDEX



• It uses new information, new seasonal adjustment factors, and more up-to-date weighting. Result: A more reliable measure of industrial growth.

• It now covers both electric and gas utility output – which makes it more complete, and therefore comparable with those of other countries.

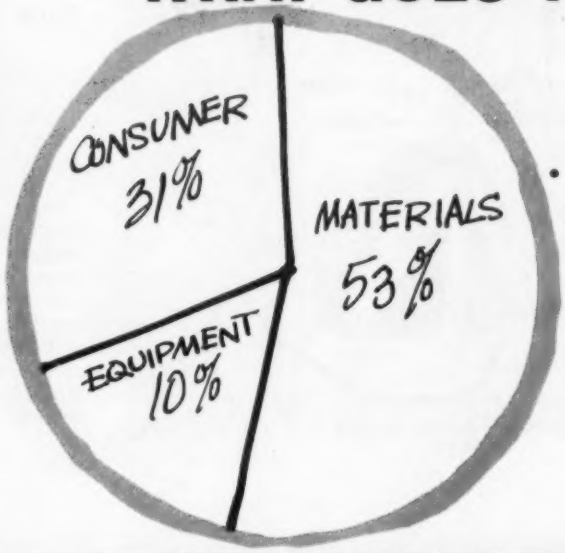




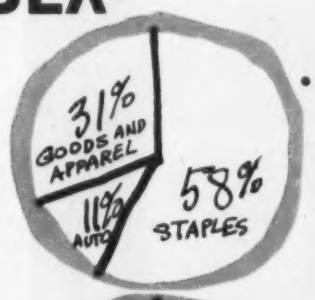
• For the first time it splits data into raw materials, into consumer goods, and into producer goods (equipment).

RCHASING TOOL

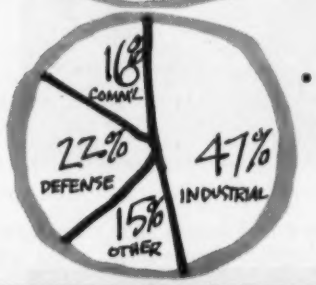
2. WHAT GOES INTO THE INDEX



- Raw Materials, consumer goods, and producer goods (equipment) contribute to the index like this



- Consumer goods are broken down like this



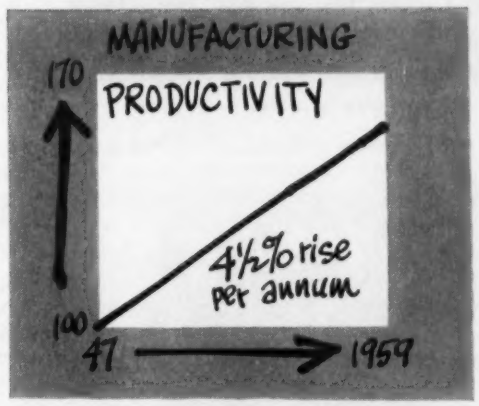
- Producer goods are broken down like this

3. HOW THE INDEX CAN HELP YOU...

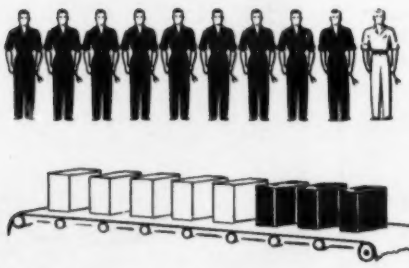
- **Analyze your markets better.**
- **Size up productivity gains more accurately.**
- **Get a better slant on your inventory problems.**

Here are some concrete examples:

— Gaging productivity growth: the new index indicates a higher productivity growth. Here's how:



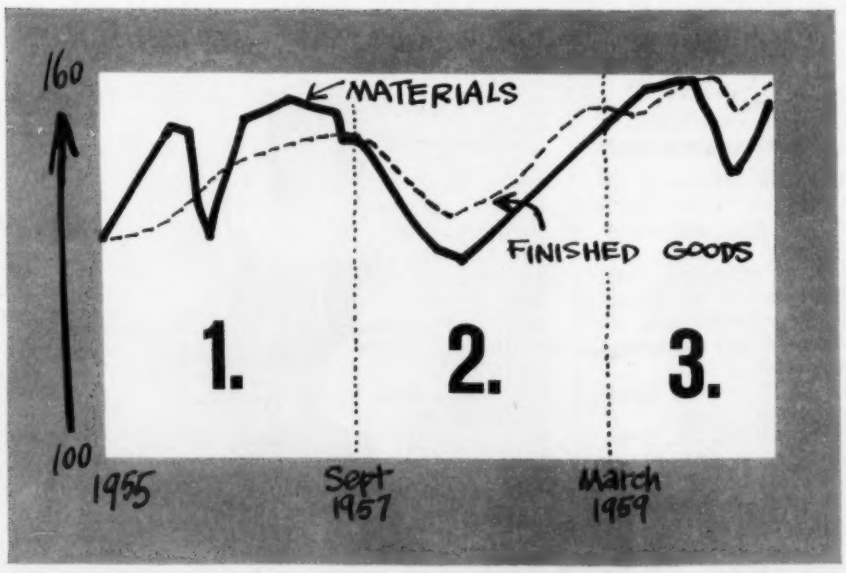
A 10% decline in number of production workers...



Coupled with almost a 60% increase in production...

Adds up to an annual 4½% increase in productivity, compared with 4% under the old index.

— Weighing the inventory trend: The new index gives you a better insight into the inventory cycle.



1. **In the years before the '57-'58 recession, material output was at a higher rate than final products — indicating an accumulation of material inventories.**
2. **In 1958, material production was below final product output — indicating P.A.s were cutting down on their inventories of materials.**
3. **The '59 trend in accumulation of material was interrupted by the steel strike.**

Vinyl Finish

Dries in 20 Min.

Clear, vinyl floor finish dries to the touch 20 min. after application by brush, roller, or spray equipment. One gal. will usually cover 400 sq. ft. of wood, linoleum, or printed sheet rock. Finish is stain-resistant and non-grain raising.

Price: $5.75 gal. Delivery: immediate.

Seaboard Lacquer Co., 3105 W. Cold Springs Lane, Baltimore, Md. (PW, 2/29/60)

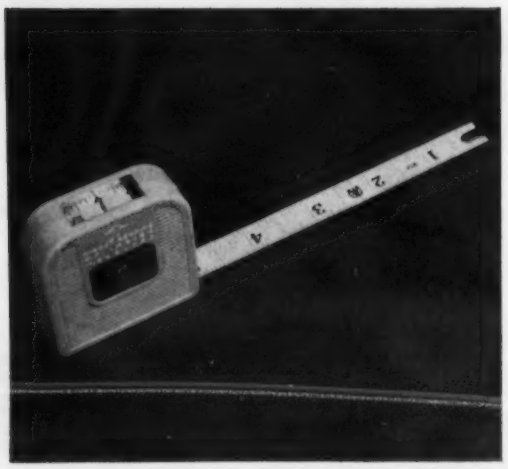
Dust Mask

Fits Everyone

One size plastic mask for nontoxic dusts and paint overspray fits any wearer. Washable and nonirritating, it permits user to wear glasses. Throw-away plastic base filters are easily installed. Mask weighs less than one oz.

Price: $1.30. Delivery: immediate.

Pulmosan Safety Equipment Corp., 644 Pacific St., Brooklyn 17, N. Y. (PW, 2/29/60)



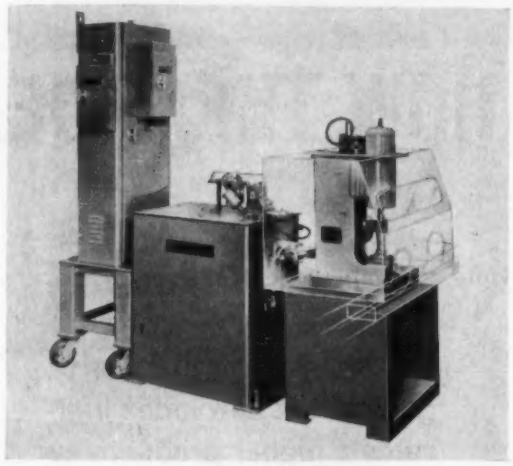
Steel Rule

Reads Directly

Hairline dial on top of case permits instant reading with high degree of accuracy. Used for inside measurements up to 78-in., rule is flexible, tempered steel with almost unbreakable nylon case.

Price: $1.50. Delivery: immediate.

Industrial Product Sales Co., 1182 Broadway, N. Y. 1, N. Y. (PW, 2/29/60)



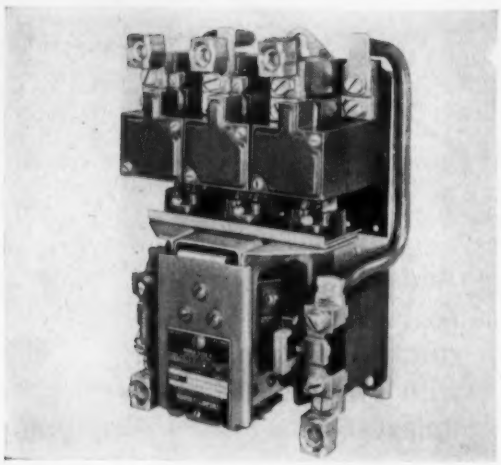
Welding Gun

For Small Parts

Gun exerts magnetic force on electrodes under controlled atmosphere conditions to make main seal welds on transistors and other small electronic parts. Air and water are piped in closed system to prevent contaminating the controlled atmosphere.

Price: approx. $7,500. Delivery: approx. 8 wk.

Precision Welder & Flexopress Corp., 3518 Ibsen Ave., Cincinnati 9, Ohio. (PW, 2/29/60)



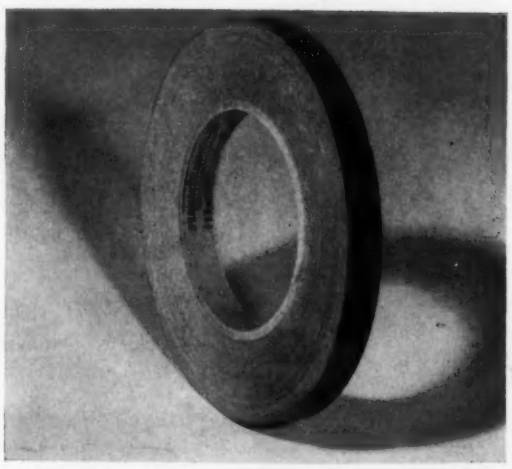
Starter

33% Smaller

NEMA size 4 starter is 33% smaller than previous models. Large silver alloy contact tips prolong starter life and make inspection easier. Trip-free overload relays or bimetallic overload relays with hand and automatic reset are included.

Price: From $266 (open type, 3 pole). Delivery: immediate.

Square D Co., 4041 N. Richards St., Milwaukee 12, Wis. (PW, 2/29/60)



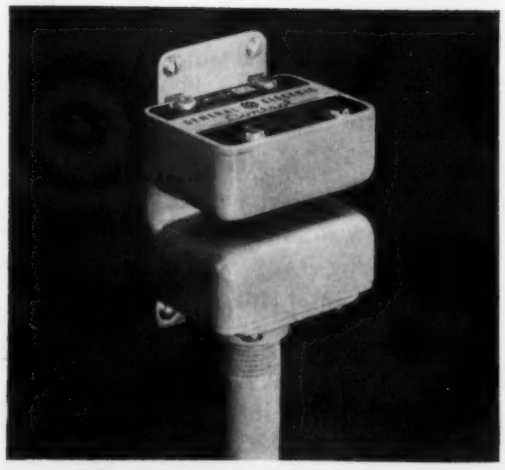
Tape

Has Teflon Base

Pressure sensitive tape has 2 mil thick Teflon base. Temperature and corrosion resistant properties allow for variety of uses in chemical field, packaging and electrical insulation. Tape is readily printable with ordinary inks.

Price: approx. $22 (1 in. x 36 yd. roll). Delivery: 1 wk.

Permacel Tape Corp., New Brunswick, N. J. (PW, 2/29/60)



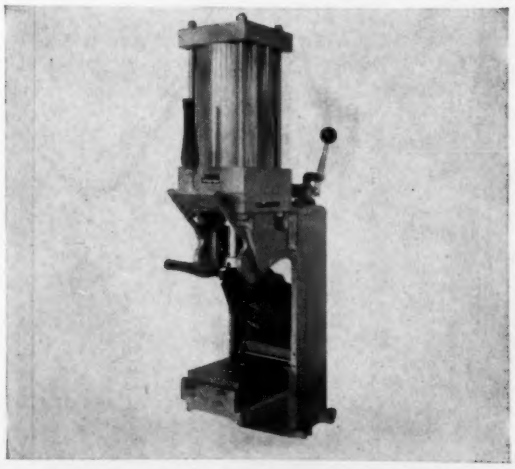
Limit Switch

Sealed Components

Aluminum enclosure of vane-operated limit switch resists oil, dust, and water. Operating at any angle, with or without indicating light, switch controls machinery travel. Shaftless magnetic device takes ⅓ less space than former model.

Price: $35 (without light). Delivery: immediate.

General Electric Co., Schenectady 5, N. Y. (PW, 2/29/60)



Injection Splicer

Molds and Splices

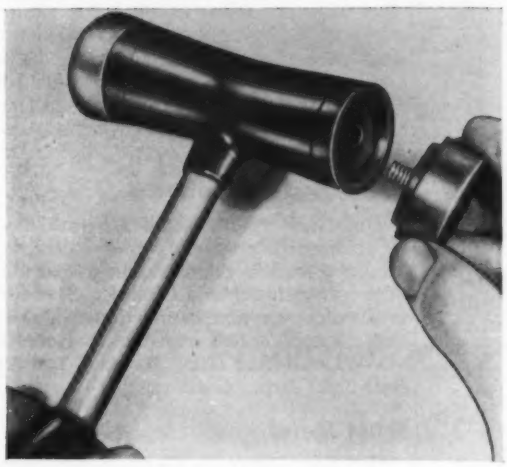
Air-operated production unit forms rubber molds and splices them to previously extruded products such as terminals and electronic parts. Machine eliminates transfer problem. Electric heating controls are readily accessible for maintenance.

Price: $585. Delivery: 4 wk.

Sivon Mfg. Co., Painesville, Ohio. (PW, 2/29/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



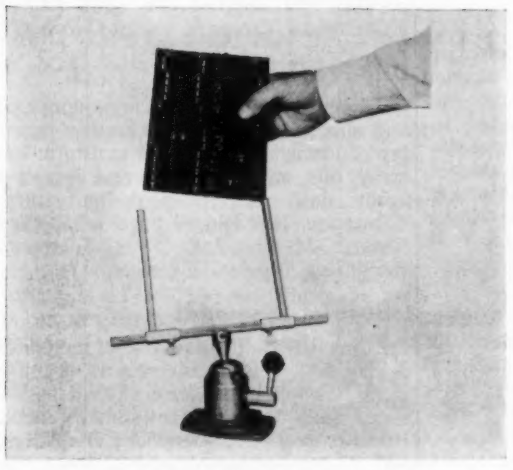
Hammer

Won't Rebound

Plastic hammerhead is shot-loaded to prevent rebound, adds up to 30% more power to the drive. Interchangeable tips for medium to extra-heavy duty work are chip-proof, and acid and oil resistant. Tips (1⅜ in. dia.) do not change shape or mar finished surfaces.

Price: $4.75. Delivery: immediate.

Vaco Products Co., 317 E. Ontario St., Chicago 11, Ill. (PW, 2/29/60)



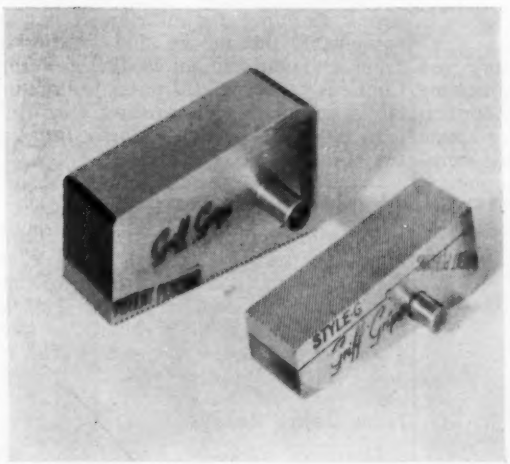
Board Holder

Adjusts to Any Width

Work positioner holds printed circuit boards during production, adjusts to any width with set screw. Two slotted vertical arms take any height board. Workpiece will not slip off because device cannot be depressed below the horizontal.

Price: $7.90. Delivery: immediate.

Wilton Tool Mfg. Co., Inc., 9525 Irving Park Road, Schiller Park, Ill. (PW, 2/29/60)



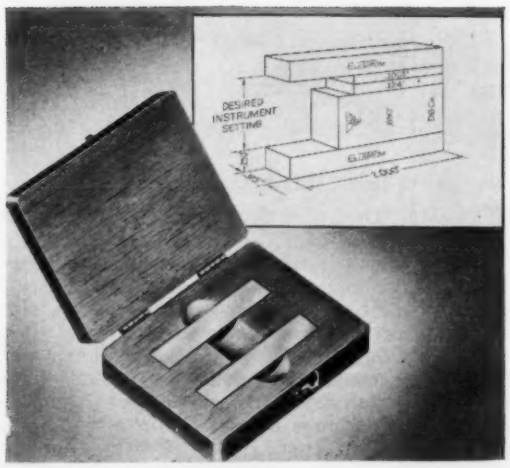
Grips

Hold Test Specimen

Blocks provide gripping surface for pull testing machine. When gripping surface becomes worn, disposable inserts are easily replaced. Sets of 4 blocks are available for 8,000 to 20,000-lb. pull test machines.

Price: $132 to $175 (4 blocks); $42 and $50 (4 inserts). Delivery: immediate.

Griff Machine Products Co., 137 Julius St., Pittsburgh 6, Pa. (PW, 2/29/60)



Master Parallels

Set Instruments

Parallels are used to set internal measuring instruments by assembling gage block combination for desired setting and applying parallel bars to top and bottom. Gaging surfaces are unconditionally guaranteed to within 0.000003-in. Shipped in slotted case.

Price: $90 pair. Delivery: 6 wk.

Ellstrom Standards Div., Dearborn Gage Co., 22038 Beech St., Dearborn, Mich. (PW, 2/29/60)

This Week's

Product Perspective

FEBRUARY 29–MARCH 6

• A new term has been added to the electronics dictionary—micro-electronics. In the not-too-distant future, this new marvel will materially affect your radio and TV set, and may even reach into the control circuit on your washing machine.

Micro-electronics is the latest development in the drive to make electronic equipment smaller and more reliable. It may even signal the end of the drive, since **it has produced an amplifier the size of a pinhead.**

The new science marks the fourth major step in the evolution of the electronic circuit. The order of development reads: individual component, printed-circuit board, micro-wafer, and now micro-electronics.

Originally, individual components were fastened to a metal base (chassis), then connected together by wire. The resulting piece of equipment was bulky with many individual soldered connections (and chances for failure).

The printed-board that came next, replaced the wire with thin metal strips neatly laid out on a fiberboard. Individual components were placed in the proper position on the board, connected together by the printed metal strips. Printed circuit assemblies reduced the size of the finished product, but retained most of the soldered connections.

Even printed-circuit equipment posed too big a space problem for missiles and aircraft, so a search was started that developed the micro-module. Tiny wafers (less than 1 sq. in.) were designed to include all the elements needed to perform a function (such as amplify). Resistors, capacitors, and transistors were built right into the wafer and connected together by wire thread. Micro-wafers can be piled on top of each other (like building blocks) to get the desired result. These tiny wafers set the stage for micro-electronics.

• • •

• The molectronic element is a first cousin to the transistor. It is made out of a metal semiconductor (germanium, silicon, etc.) whose properties can be changed by outside forces such as electricity or heat.

In the three previous electronic building techniques, individual circuit elements, each performing a single function, were connected together to perform a total job. **Using the molectronic concept the scientist first determines the functions that must be performed, then builds all of them into a single piece of semiconductor material.**

Techniques such as diffusion, plating, electron beam machining, etching, cutting, radiation, and alloying **are used to alter the structure of the tiny metal block. Different areas (zones) of the same block are given varying treatments to adapt the zone to the one specific function it must perform. After each zone is treated, the entire block can perform all the functions that previously required many individual components—all soldered together.**

The semiconductor material is produced by a metallurgy process in which ribbons about ⅛-in. wide and a few thousandths of an inch thick are drawn from a molten mass. Additional processing steps are needed to encapsulate the block and protect it from shock and vibration. Researchers predict that eventually it will be possible to "grow" single items as complex as a radio receiver.

• • •

• Westinghouse, one of the leaders in micro-electronics, has already "grown" a multivibrator and predicts that it will be able to make a pea-sized radio receiver (in a single block) by 1962. Within three or four years, the same techniques will produce infrared detectors, telemetering equipment, and guidance and communication devices for missiles and satellites.

Although first applications of the new principle will come in the military area, commercial uses are sure to appear as a by-product of government contracts. Westinghouse demonstrated over 20 working subsystems to the government in January.

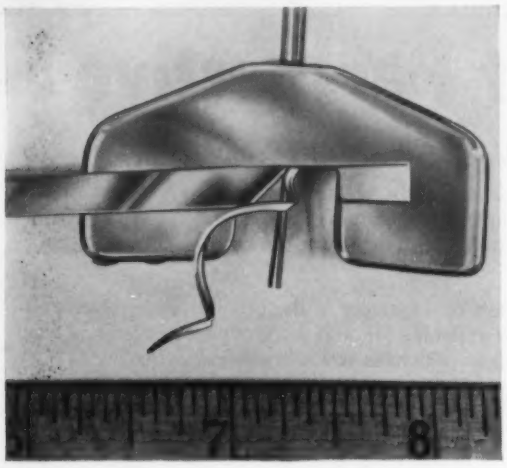
Westinghouse isn't alone in the rush to develop micro-electronic components. At the 1960 meeting of the Solid State Circuits Conference earlier this month, scientists from Bell Telephone Labs, Fairchild Semiconductor, GE, Motorola, Texas Instruments, Stanford Research Institute, and Massachusetts Institute of Technology reviewed their work in the field.

• • •

• Development of production facilities is the next major hurdle. The micro-electronic process will probably follow the same path as the transistors. Components will be very expensive at first, but automated production techniques ultimately will bring the price down, and open new application possibilities in a wide variety of industries.

Your Guide to New Products

(*Continued from page* 17)



Skinner

Bares Thermocouple Wire

Tool skins insulation from thermocouple wire by pencil sharpener action. Open construction removes cut pieces, showing amount of metal left. Three sizes are available to accommodate 1/25, $\frac{1}{16}$, and ⅛-in. O. D. thermocouple wire.

Price: $16 to $23. Delivery: immediate.

Thermo Electric Co., Inc., Saddle Brook, N. J. (PW, 2/29/60)

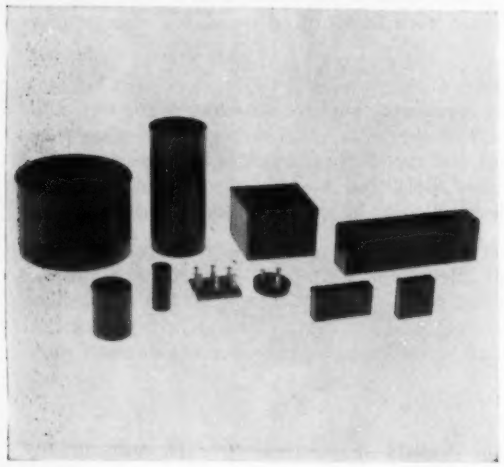
Power Package

Uses Hydraulic Fluid

Hydraulic power unit provides 1½ gal./min. output at 2,000 psi. for running press machine feeds, or lift tables. Gear-pump is coupled directly to 3 hp motor. Screen suction filters mounted on 4½ gal. oil reservoir are removable.

Price: $179.50. Delivery: 2 wk.

Autoquip Corp., 1140 S. Washtenaw, Chicago 12, Ill. (PW, 2/29/60)



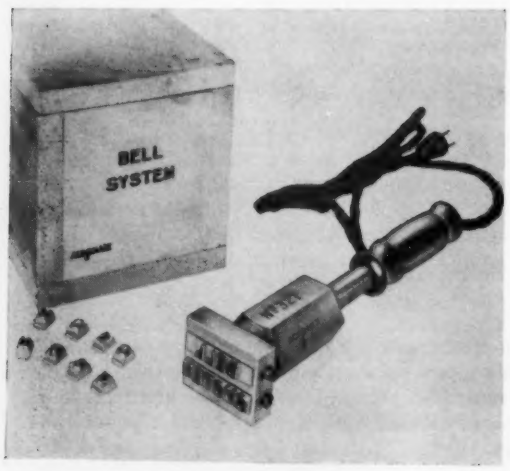
Epoxy Case

Protects Components

Epoxy case serves as mold during potting of electronic components and becomes an integral part of the assembly. Variety of round, square, and rectangular shapes and sizes have good electrical properties, dimensional stability, and low moisture absorption.

Price: $20 to $75 per 1,000. Delivery: immediate to 2 wk.

Plastronic Engineering Co., 721 Boston Post Road, Marlborough, Mass. (PW, 2/29/60)



Brander

Letters or Numbers

Heating element in brander makes clean and sharp brand of interchangeable letters or numbers on wood, fiber, plastics, and paper. Holders carry 8 to 12 characters, ¼-in. high, in 1 or 2 lines to cover areas up to 2 x 4 in. Type can't fall out.

Price: $93 (2 lines, 8 char.); $78 (1 line, 8 char.). Delivery: immediate.

Acromark Co., 321 Morrell St., Elizabeth, N. J. (PW, 2/29/60)

Profitable Reading for P.A.'s . . .

New Books

Economic Almanac for 1960. Published by National Industrial Conference Board, 460 Park Ave., New York 22, N. Y. 673 pages. Price: $7.65.

The National Industrial Conference Board's Economic Almanac is a clear and precise compilation of the economic facts that management needs at its fingertips. It gives a complete analysis of the U. S.'s economic life for 1960.

A number of important tables have been included in the Almanac for the first time this year. One lists the number of companies in 122 classifications in minerals, manufacturing, trade and services. Others give production of strategic minerals by various countries, capital investment in industry, fringe benefits, transfer payments, funds for research and development by sector, and long term productivity ratios of both labor and capital input.

A special Canadian section is also included.

From the Associations

Safety Equipment

Discusses safety glasses, hard hats, and respirators that meet revised specification of American Standards Safety Code. Revision adds plastic eye protectors, increases strength requirements for eye protection, discusses modern production methods and available safety equipment. Standard Z2.1-1959. *American Standards Assn., 70 E. 45th St., New York 17, N. Y.*

Accident Prevention Signs

Revised standard for industrial accident prevention signs includes dimensions of signs and lettering, colors, and designs. The price of Standard Z35.1-1959 is $1.35. *American Standards Assn., 70 E. 45th St., New York 17, N. Y.*

From the Manufacturers

Industrial Equipment

Discusses production, laboratory and quality-control equipment, engineering and technical instruments, optical apparatus, mathematical books, and training aids. Equipment covered includes: measuring magnifiers, pocket comparators, lenses, wedges, and photographic equipment. Catalog is handy guide for industrial plants, product and design engineers, research laboratories, etc. (128 pages). *Edmund Scientific Co., Barrington, N. J.*

Arc Welding Electrodes

Describes company's line of electrodes —mild steel, low alloy, low hydrogen, iron powder, stainless steel, nonferrous and cast iron. Description includes applications, procedures and pertinent AWS-ASTM data. Form ACD 650 (64 pages). *Air Reduction Sales Co., 150 E. 42 St., New York 17, N. Y.*

Fire Alarm Systems

Gives information on company's fire alarm systems for industrial, institutional and public buildings. Describes components and accessory equipment, including stations, detectors, signals, job specifications, optional equipment, etc. No. 246 (36 pages). *Standard Electric Time Co., Springfield, Mass.*

Colored Shipping Containers

Booklet discusses use of customer-catching colors on corrugated containers. Presents basic product situations which call for color on containers—new product, new advertising campaign, special offer, new trademark, new package, etc. Discusses reactions to different hues, which may be cheering, soothing, depressing, or stimulating. (20 pages). *Stone Container Corp., 4200 W. 42 Pl., Chicago 32, Ill.*

Control Devices

Describes company's line of control devices including motor starters, contactors, pushbuttons, overload relays, pilot devices, etc. Gives prices, wiring diagrams, application information, dimensions for each device. GEC-1260D (72 pages). *General Electric Co., Schenectady 5, N. Y.*

Micro-Module Wafers

Discusses wafers which are produced by chemically machining glass to micro-accuracy from a photographic reduction, then converting it to a ceramic. Bulletin says wafers are nonporous, dimensionally stable, and shock resistant. Bulletin MMW. *Corning Glass Works, Receiver Bulb Sales Dept., Corning, N. Y.*

Sheet Metal

Brochure illustrates company's production facilities and samples of its sheet metal contract work. Discusses phases such as slitting, edging, welding, assembly, packing and shipping, etc. (16 pages). *Lyon Metal Products, Inc., Aurora, Ill.*

Drip-Proof Motors

Discusses motors which are engineered and shielded to provide effective motor protection against excessive moisture, salt spray, oils, most chemicals and corrosive agents, dust, etc. Explains design features of motors. No. 196 (4 pages). *Sterling Electric Motors, Inc., 5401 Telegraph Road, Los Angeles 22, Calif.*

Industrial Diamonds

Gives data on the purchase of industrial diamonds—reduced investment requirements, customer service technical assistance, sales and market development. *Advertising Dept., Engelhard Industries, Inc., 113 Astor St., Newark 2, N. J.*

Non-Shrink Grout

Outlines common methods of non-shrink grouting for different types of equipment, the mixing and placing of grout, and cold and hot weather grouting. Contains recommended mixes, estimating tables, installation information, etc. Bulletin E-1d (16 pages). *Master Builders Co., Cleveland 3, Ohio.*

Aluminum Dockboard

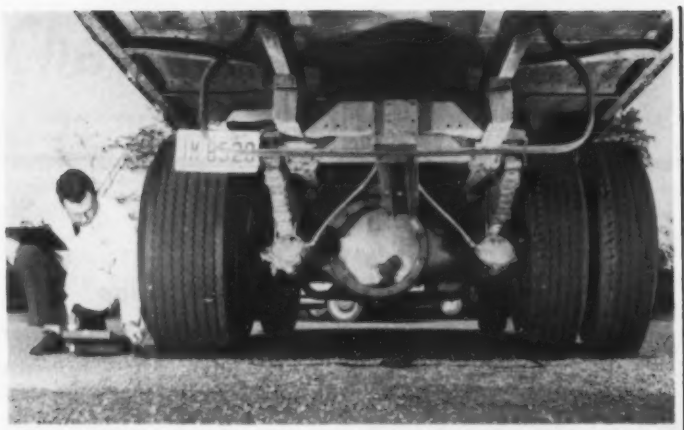
Describes company's lightweight aluminum dockboard. Through the use of special aluminum alloys, it is said to support twice the load yet weighs half as much as comparable dockboards of steel plate. *F. H. Langsenkemp Co., 227 E. South St., Indianapolis, Ind.*

Time Delay Relays

Describes company's line of electronic time delay relays, features adjustable time delay devices. Gives information on circuit design, manufacturing and assembly process, specifications, sizes, and available mounting arrangements. Units are available with overlapping time-delay ranges—each are said to be capable of a 20 to 1 adjustment range. Eng. Bulletin 5905 (8 pages). *Tempo Instrument, Inc., P. O. Box 338, Hicksville, N. Y.*

Silicon Chargers

Data aids in selecting specific models of company's line of constant-voltage, silicon-rectifier chargers for stationary-type batteries. Includes chart with lists of 32 basic sizes and 18 specialized sizes having d-c outputs of 1 to 400 amp. Other charts give voltage regulation performance, efficiencies and power factor performance. *Exide Industrial Div., Electric Storage Battery Co., Rising Sun and Adams Aves., Philadelphia 20, Pa.*



SINGLE TRUCK TIRE (left) designed to replace conventional dual equipment (right) undergoes tests at Firestone Tire & Rubber Co. The new tire is lighter, takes less space and gives a softer ride than duals. Models of the new tires are currently available for fleet evaluation.

Product Briefs

Floor covering incorporates random-scattered vinyl chips to help hide trackage and improve appearance. Used in transportation facilities and on rolling stock, terra cotta material is available in 1 yd. x 30 yd. rolls and 9 in. x 9-in. blocks. Gray, green, and beige colors may be selected. *Pabco Industrial Insulations Div., Fibreboard Paper Prod. Corp.,* 479 *Brannan, San Francisco, Calif.*

Paper tape output of electronic typing calculator permits transmission of local billing information over telegraph wires. Five-channel punched paper tape can be converted to IBM punch cards for processing in accounting machines. Complete model consists of modified electric typewriter, 10-key companion keyboard, arithmetic unit, and tape output punch. *International Business Machines Corp., Electric Typewriter Div.,* 545 *Madison Ave., N. Y.* 22, *N. Y.*

Magnetic stirrer gives identical agitation to six, 1,000-ml. vessels at predetermined speeds for indefinite periods. Single unit construction of heavy gage aluminum, 18 x 12 x 7 in., reduces bench space up to 50%. Rheostat device gives variable stirring action from slow to high-speed agitation. *Labline, Inc.,* 3070 *W. Grand Ave., Chicago* 22, *Ill.*

MLS aluminum fasteners are now available in protruding or countersunk head styles. Two-piece blind rivets lock mechanically with pneumatic or hydraulic power tools. Three sizes, ⅛ to $\frac{5}{16}$ in., are available in variety of grip lengths. *Huck Mfg. Co.,* 2480 *Bellevue Ave., Detroit* 7, *Mich.*

Butterfly valve in wedge-shaped body is designed for quick and easy replacement. Held in place by cover, wedge-shaped insert can be removed without disturbing line flanges or piping. Its flow characteristics are identical to standard 2-flange valve. *Allis-Chalmers Mfg. Co.,* 864 *S.* 70*th St., Milwaukee* 1, *Wis.*

Enameling iron makes possible successful application of single finish coat in white or color directly on fabricated metal part. Sheet material resists fish-scaling or boiling of the porcelain enamel finish. Conventional ground coat required for regular enameling grades of iron and steel is eliminated. Its widest use is in appliance industry. *Armco Steel Corp., Middletown, Ohio.*

This Spray Gun Mixes Two Fast-Reacting Potions

Chicago—Binks Mfg. Co. announced development of a new spray gun system that solves the problem of applying two-part liquid plastics with short chemical reaction times. The new system mixes the two components as they pass through the gun.

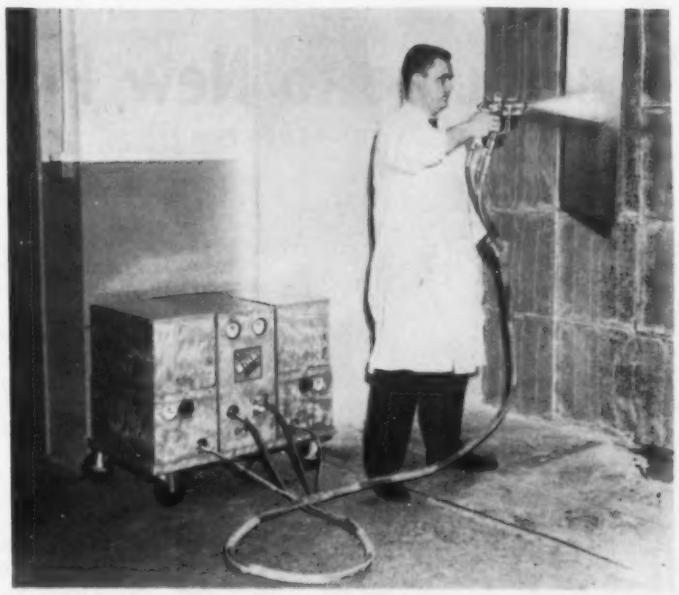
Plastics that come in two separate elements (activator and resin) harden very quickly once they are mixed and, therefore, have to be used almost immediately.

Now, with the Binks Spray System, the two liquids are contained in separate, nonpressurized reservoirs and can be used as needed. Twin two-stage pumps deliver liquid phases to the gun on a volume-by-weight basis. This is adjustable to cover a wide range of proportions.

Delivery pressures at the gun range to 200 psi. at rates up to 10 lb./min. The system can be refilled at any time without shutting down the equipment.

Binks considers polyurethane foams, epoxies, gel-coats, and polyesters prime prospects for the new system. Potential applications include: linings on storage tanks; coatings on structural steel and building surfaces; structural resins on boats, swimming pools, furniture, and appliances; and plastic foams for refrigeration or thermal insulation, sandwich structures, and cushioning.

The Turbulator gun uses normal factory air lines (60 to 150 psi. pressures) and 220 v, 3-phase power. One trigger controls both liquid phase valves and the air valve. The gun can be operated for any length of time and momentary stops can usually be made without clogging.



SPRAY GUN mixes components of two-part plastic coating as materials are pumped from "Formulator" on the floor. System has solved problem of applying materials which have short chemical reaction times.

When the equipment is shut down for cleaning, the catalyst line is disconnected from the spray gun and a solvent line connected in its place. Solvent from a special reservoir in the Formulator (floor unit) is forced through the gun for fast cleaning.

The Turbulator spray gun contains two trigger-operated liquid valves, an air valve, an air motor, a unique mixing device, and an atomizing spray nozzle. Both liquid phases are forced through a taper bearing; as the bearing turns, the phases are mixed together and sprayed out a fraction of a second later. Binks claims the taper bearing is the simplest, most reliable means known for such mixing.

Formulators will be built to order with various capacities and number of liquid reservoirs. Large scale users can operate several spray guns from one large Formulator.

Binks quotes a basic price of $8,700 for one Turbulator, one Formulator and 25 ft of hose. Delivery time runs four to six weeks.

Canadians Try To Upgrade Steel By Adding Uranium

Toronto, Ont.—A team of Canadian metallurgists is trying to improve the quality of low-grade steel by alloying it with uranium. If the new alloy passes its final tests, it could create a yearly market for as much as 180 million lb. of refined uranium and put the industry on a firm peacetime basis.

Developed jointly by metallurgists of the Federal Department of Mines and Technical Surveys and Eldorado Mining & Refining Co., the new technique shows promise of:

- Refining the quality of low-grade steels.
- Increasing steel's tensile strength.
- Enhancing steel's fatigue resistance factor.
- Making such steels salt-resistant and relatively noncorrosive.

Saul Gertsman, chief metallurgist for the Department of Mines, emphasizes that the process is "still in the test tube stage" and that preliminary tests were started only in November.

The alloy represents a Canadian world first, although other countries are doing research on new uses for uranium. The Canadian efforts have concentrated on the improvement of low-grade steels.

Your Guide to New Products

(*Continued from page* 18)

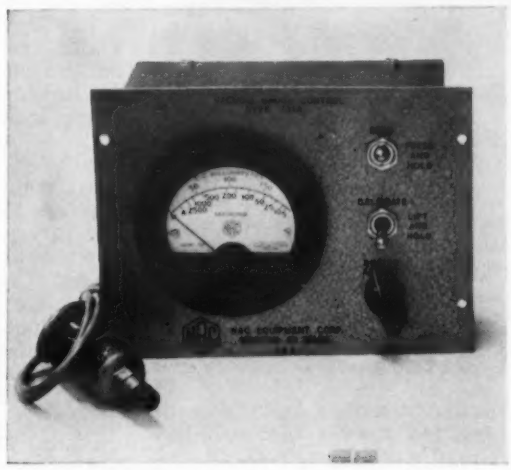
Rope

High Visibility

Polyethylene barrier rope in yellow and black color combination provides high visibility and strength. Tested at 1700 lb., it is much stronger than manila and will not stretch or sag. Standard size, $\frac{7}{16}$-in. dia., in 600-ft. coil, ropes off restricted areas.

Price: $31.25. Delivery: immediate.

A. W. Pendergast Safety Equipment Co., 6913 Tulip St., Phila. 35, Pa. (PW, 2/29/60)



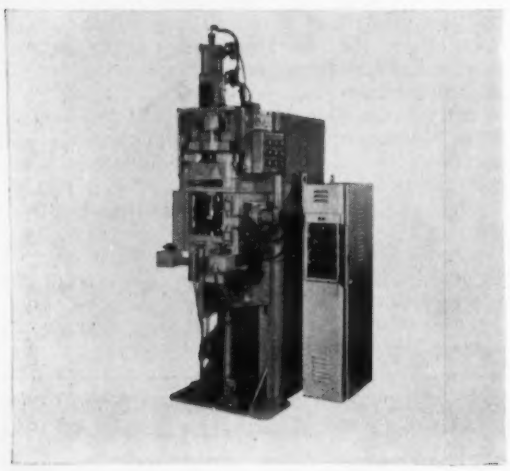
Vacuum Gage

Works on Batteries

Small, battery-operated thermocouple gage makes intermittent vacuum readings at pressures from 2 mm Hg to 1 micron. Sensing head is replaceable and batteries have 30 hr. of continuous operation.

Price: $85 (control and gage). Delivery: immediate (March 15).

NRC Equipment Corp., 160 Charlemont St., Newton 61, Mass. (PW, 2/29/60)



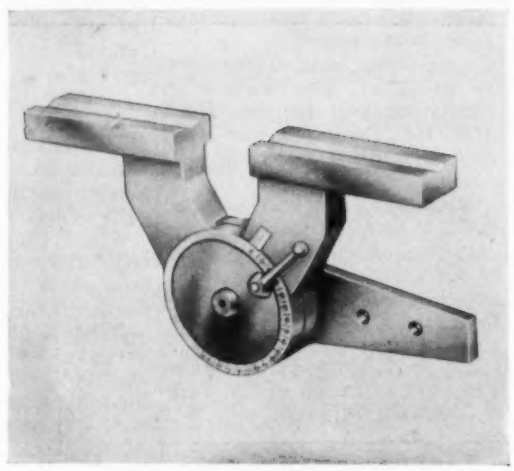
Welder

Joins Nonferrous Metals

Magnetic force welding machine makes full area percussion welds of nonferrous metals. Machine has sound baffle cage, fume exhaust system, and electronic controls. Typical use is welding of silver-cadmium-oxide contacts to brass contact arms.

Price: $10,000. Delivery: 8 to 10 wk.

Acro Welder Mfg. Co., 1719 W. St. Paul Ave., Milwaukee 3, Wis. (PW, 2/29/60)



Clamp

Adjusts to 180 Deg

Clamping faces are set by calibrated dial at any angle up to 180 deg to hold pipes, rods, and tubes in place during short run welding, soldering, or brazing. Aluminum alloy frame resists weld spatter in 3, 4, and 6-in. models. Right angle, straight, and quick acting models are also available.

Price: $24 to $79.50. Delivery: March 15.

Wales-Strippit, Inc., 231 S. Buell Road, Akron, N. Y. (PW, 2/29/60)

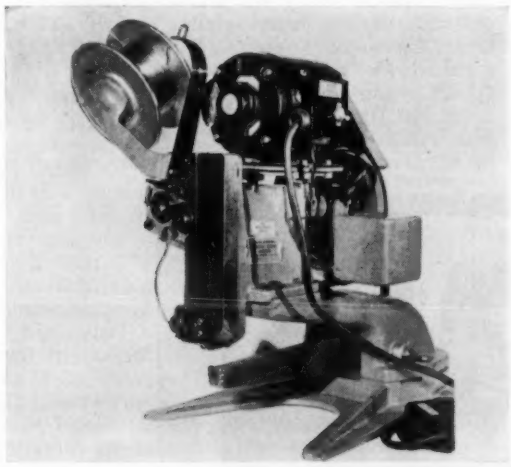
Crane

Folds Out of Way

Tubular steel crane with maximum lift capacity of 1,500 lb. folds down out of way, permitting truck to move through low doorways. Lifting height is 7 ft. 6 in. Double-gear hand winch provides the power.

Price: $174.50. Delivery: 1 wk.

Thern Machine Co., Winona, Minn. (PW, 2/29/60)



Stitcher

Fastens Metals

Portable wire stitcher makes and inserts 60,000 staples from 5-lb. wire coil for fastening materials up to $\frac{3}{8}$-in. thick. Device handles metals, plastics, aluminum, low-carbon steel, and paper materials. Depending on wire size, staple cost is 3¢ to 5¢ per 1,000.

Price: $345. Delivery: 7 to 10 days.

General Staple Co., Dept. W, 28 E. 22nd St., N. Y. 10, N. Y. (PW, 2/29/60)

Counter

Smallest on Market

Reversible, 4 digit counter ½-in. wide by $\frac{5}{8}$-in. long, is said to be smallest size available for event counting. Counter is not recommended for low uniform torque, high-speed operations.

Price: $4.80. Delivery: immediate.

Haydon Instrument Co., 165 W. Liberty St., Waterbury 20, Conn. (PW, 2/29/60)

Purchasing Week Definition

Battery Terminology

Battery—Combination of two or more electrolytic cells that converts chemical energy into electricity.

Primary Battery—Cell is not reusable once discharged.

Secondary or Storage Battery—Cell can be recharged many times.

Wet Cell—Electrolyte in the battery is free to flow and move.

Dry Cell—Electrolyte exists in jelly form or is absorbed in porous medium.

Ampere-Hours Capacity—Amount of current storage battery can produce based on continuous discharge at a specified rate.

Discharge Rate—Minutes or hours needed to drain useful energy from the battery. For example, silver-zinc cells can be discharged in 30 sec. while others must discharge more slowly.

Energy Density—Average power per unit area of the battery, expressed as watt-hr./cu. in. or watt-hr./lb. It is based on slow discharge rates and must be corrected to lower values if discharge is rapid. **(PW, 2/29/60)**

Chattanooga P.A.'s Get Tips from Suppliers Each Month

Chattanooga—Members of the Purchasing Agents Association of Chattanooga have decided to make a panel discussion on "tips from suppliers" an integral part of their regular monthly meetings.

The reason—the first such panel program took place at the February meeting and racked up the largest attendance on record.

"We figured the best way to get tips on how we can do a better job of buying was to ask suppliers themselves for some help," J. H. McDowell, Jr., chairman of the association's Professional Development Committee told PURCHASING WEEK. "Our first such panel discussion proved a tremendous success."

McDowell conceived the idea of setting up a panel-type program in which representatives from four different industries would give suggestions on how buyers of their products could cut costs and, at the same time, do a better all-around job of purchasing.

"The members were anxious to hear from someone 'from the other side of the desk' for a change," he explained. "It happens that we chose four men who represent a combined 75 years of looking at purchasing orders, and our members were sure they'd have some worthwhile hints for them."

And the members were right. One after the other, the four panel members gave sharp, down-to-earth suggestions for cutting costs on goods purchased—for cutting paperwork and for trimming the over-all cost of ordering.

Richard Lindsey, district manager, Container Corp. of America's Knoxville and Chattanooga Divs., told the P.A.'s:

"If one of your gentlemen should wish to ship your product 500 miles via truck we can simulate this shipment in one of our laboratories and tell you just how it will arrive at destination under normal shipping conditions.

"Also if you would like to ship some product 2,000 miles by rail we can simulate this shipment in our laboratory and tell you how it will arrive under normal shipping conditions.

"Some of the other things we can tell you are how many boxes high you can stack your product before you can expect failure from the bottom container. We can tell you what moisture penetration you can expect or how much moisture absorption will take place in your container."

In short, Lindsey told the members: "Let your box maker design a container for you by scientific methods that will not leave your product underpacked or overpacked. If it is underpacked, you will increase your costs by damage or customer ill will. If it is overpacked, you are needlessly spending extra money on containers."

John C. Williams, value analyst, General Electric Co.'s Medium Transformer Dept., Rome, Georgia, told the P.A.'s to ask themselves one big question in buying parts:

"Is the material specified and the method of manufacture selected the best and most economical—based upon what we know today—compared to those conditions that existed back when the part was originally designed?"

As a graphic illustration of how such a question can pay off, Williams held up a small, three-piece assembly: "Take, for example, this three-piece stud assembly which is made from a bronze screw, special washer, and a standard washer. The three pieces are dipped in solder to make the complete assembly at a cost of 40¢ each. The shape of this assembly suggests it could be made in one piece by cold heading, such as you see here (holding up another piece—this one, made as a single unit) and the cost dropped to 5¢ each with equal or better quality."

"Handling the small order" was given some very special attention by J. C. Grant, office manager of Mills & Lupton Supply Co., Chattanooga, Tenn., particularly as it is related to paperwork problems. Grant explained how the cash purchase, open blanket order, or "local order plan" might mean a substantial savings in the cost of handling MRO purchases.

J. A. Matthews, assistant district sales manager, Republic Steel Corp., Birmingham, gave some timely hints on the area of steel purchasing.

GUEST SUPPLIER Mervin Pregulman (left) of Siskin Steel Co., Chattanooga, and Arthur Hall, P.A. for General Electric Supply Co., Chattanooga, examine special display at meeting. Panelist Dick Lindsey, district manager of Container Corp. of America set up display.

PANELIST J. A. Matthews, assistant district sales manager of Republic Steel Corp. lists buying tips for Chattanooga purchasers.

For Sound Buying, Pick Company-Trained Men

Dallas—Members of the Dallas and Fort Worth P.A. Associations were advised by NAPA President Thomas O. English, to choose company trained personnel if they expect to have sound purchasing policies.

One is the catalyst for the other, English told a joint meeting of the groups. Capable people promote good policy, he pointed out. Thus, Aluminum Co. of America, recruits talent from other departments, preferring men with at least 5 to 10 years experience with the company.

English spoke to several hundred buyers at the meeting on Feb. 11. This was the first stop on the annual presidential tour of the Southwest. He'll visit Beaumont, Houston, San Antonio, El Paso, and Amarillo.

Frank L. Scott, Baker Oil Tools, Inc., Houston, and NAPA district vice president also is making the tour.

English urged all purchasing departments—no matter what the size of the company—to get a purchasing manual and use it. He quoted a PURCHASING WEEK survey which showed that 77½% of companies questioned had no policy expressed in a manual.

Before the meeting, English gave his views on tight money in a TV interview.

"It will be around for a while," he said. "But while the money problem is tougher for small businesses than large ones, the cost of money is not prohibitive. It's a needed curb on inflation and is half-deductible."

Industry on the Move: Suppliers Find Paydirt

Electronics Move South, Northeast; Chemicals Head for Rivers; Power Goes to Source of Fuel

Chicago—Industry is on the move, say the experts. For a variety of reasons—some of them obvious, some not so obvious—American industry is busily engaged in transplanting many of its operations from city to city, state to state, region to region, and occasionally even out of the country. The process began shortly after World War II, and chances are that it will accelerate as long as the economic pressures that sparked it continue.

How does this affect the P.A.? In one of two ways. If his company decides to shift its base of operations, he may find himself one of the transplanted. Then it becomes a matter of adjusting to a new area, where many of the economic factors may be changed. Or the shifting pattern of business may affect many of his suppliers—and then it becomes a matter of finding new supply lines or adjusting to a new market situation.

The pressures making for industry's increasing mobility are generated by such factors as the demand for higher wages, by zooming land and building costs, and high freight rates. When the pressure becomes big enough, it may cause a mass movement of an entire industry from one area into another, where the economic factors seem to be more favorable to the industry's growth.

Already there's been a big shift of textiles from New England to the South, metalworking to the South and West, and electronics and electrical machinery to New England. Some of the regional employment changes shown in the table on page 23 are due to internal growth within the region, but the switching pattern in these three industries stands out clearly.

One expert, Maurice Fulton, partner in the Fantus Factory Locating Service of Chicago, points out what these shifts are likely to be during the next few years. Fantus is in a good position to spot plant movement trends—the firm has helped hundreds of companies find new plant sites.

Here are the swiches as Fulton sees them:

• **Metalworking** is decentralizing, following its big customers to areas where labor costs are lower and markets are close at hand. But the field is so big, it's hard to generalize for the industry as a whole. Some segments of metalworking can be pinpointed very clearly, however.

Automotive parts makers have been moving plants away from Detroit and into the Middle South and Southeast, as well as other Great Lakes areas. This is because the auto industry has decentralized production and also decentralized purchasing. An auto cushion spring plant is currently being set up in St. Louis so as to be near a new Chrysler Corp. plant, which will do its purchasing locally where possible to do so.

Also, auto parts makers often want to get away from the high wage rates in Detroit and into areas unaffected by the traditional auto wage patterns. For much the same reason, many other secondary metal fabricators are moving away from steel mills—to escape the steel wage pattern. Many move to smaller cities within reasonable reach of mills. The move to the South is more of a "spotty" nature, because transportation costs may loom as more of a factor.

• **Electronic components** are moving in three directions (1) to the South, strictly for labor reasons; (2) to the "glamor" areas of Florida and Arizona; (3) to New England (although there probably will be a leveling off in the move to New England before long).

• **Textiles** are still going to the South to get inexpensive labor.

• **Chemicals** tend more and more toward river locations, which provide a source of transportation, power and a means of waste disposal. Complexes of plants are appearing in areas such as Ashtabula, Ohio, and Charleston, W. Va., with "spaghetti-like" networks of pipelines running between one plant and another.

• **Power** is moving toward the cheapest source of fuel and often near waterways, to cut inbound freight costs. The trend no longer is in the middle of the market, where transmission lines are shortest.

• **Aluminum** invariably is drawn toward low cost power, and because the traditional sites of the Northwest and Niagara Falls areas are crowded, aluminum often looks for sources of other than hydroelectric power. In the South, gas is used for power generation; a plant in Texas is burning lignite; in the Ohio River area, two plants are using coal to generate power for their operations.

Will your suppliers move? They may—if your region rates low on these crucial plant location factors:

• **Labor**—availability, trainability, cost, productivity, attitude, and nature of fringe benefits.

• **Transportation**—costs of inbound and outbound service, frequency, flexibility, number of rail routes, number of truck routes, how easy to avoid shipping through interchange points.

• **Taxes**—Local and state tax requirements, what services are available for each tax dollar spent, what local or state taxing "philosophy" is (does the state get most of its money from individuals or from business?) Do services financed by taxation affect insurance rates—such as lower fire insurance resulting from good fire protection.

• **Business Climate**—Attitude of the state and local government toward industry as evidenced not only in taxation, but in labor laws, zoning laws, stream pollution, air pollution, etc.

• **Utilities**—Cost, reliability, availability of power, gas, water.

In New Territories

• **Packaging** is oriented almost entirely toward markets.

Fantus' experience with packaging industries has led Fulton to conclude that generally, packagers moves for one of three reasons:

(1) They need additional capacity and can't obtain it at their existing location.

(2) They need to reduce costs to stay competitive.

(3) They need to take advantage of shifting markets, caused by a disparity in regional growth.

In addition, says Fulton, there is a situation where a prospering company located in one of the older industrial areas wants to invest in new plant facilities or modernization. Rather than make additions to existing facilities—which may be obsolete or inefficient—the company decides to pull up stakes completely and move to a new neighborhood—or new part of the country.

This frequently is the case if outdated, costly labor practices have been allowed to build up over a period of years. Sometimes a company can escape such a situation by moving to a suburb. But it may, as has been the case in New England, find the answer in moving to a different region.

"Then, independent of cost, there are a completely separate group of intangibles," says Fulton. These include the appearance of the community, recreational and educational facilities available, and availability of suppliers or container makers. For some companies, the presence of a college in the community makes it easier to bring in engineers, who may want to continue studies part time. Some metalworking companies that moved South found they were faced with a lack of tool and die shops and mill supply houses.

Determination of the region into which a plant moves depends largely on orientation of the industry, says Fulton. For example, if freight is not a major factor—such as in electronics parts—it is possible to move some distance from markets. A shortage of top engineering talent a few years ago caused a movement by some electronics firms to the "glamor" areas of Arizona and Florida.

Not only do such locations tend to attract hard-to-get people, but they also may offer ample supplies of cheaper semi-skilled and unskilled help, such as retired persons or those with health problems requiring special climates. Too, it has been possible for industry to locate in hot climates because of air conditioning.

"In every case of an inter-regional move, the company goes through a process of equating all factors to find which are the most important," says Fulton. On occasion, however, there may be a departure from the economic theory. This occurs when the management of the company is oriented toward a specific function through training and tends to give it special emphasis over all others.

For example, if the management came up through production, it may give greater emphasis to labor costs than would a sales-trained management. Fulton cited two lighting fixtures companies who came to Fantus for help in locating new plants. One wanted to move to an area of low labor cost, the other wanted a cheap, handy supply of steel for manufacturing.

Looking toward the future, Fulton sees industries continuing to move in the current patterns, but he also sees management becoming "surprisingly mobile" and "less restricted in its ability to cope with economic changes," as innovations are made in transportation, communications, and other fields.

There will be more possible plant sites to choose from during the next 10 years, and management will be able to compare certain advantages of the new sites with greater speed and accuracy than in the past, and will be able to make use of mathematical programing to solve cost, transportation, and other objective questions.

Although some day it may be possible for a computer to come up with the ideal location for a pushbutton, automatic factory, for the near future the human element and subjective influences in plant location will remain very great, says Fulton.

PERCENTAGE INCREASE IN MANUFACTURING EMPLOYMENT – 1947-1955

Census Division	Fabricated Metal Products	Chemicals	Textile Mill Products	Electrical Machinery	Furniture
United States	13%	21%	—15%	36%	19%
New England	—12%	2%	—43%	38%	22%
Middle Atlantic	11%	4%	—27%	26%	18%
East North Central	8%	21%	—24%	21%	—1%
West North Central	16%	26%	—22%	35%	8%
South Atlantic	32%	16%	6%	99%	41%
East South Central	30%	47%	— 9%	191%	25%
West South Central	70%	46%	15%	361%	76%
Mountain	*	*	*	230%	*
Pacific	53%	61%	0%	263%	30%

* Industry not represented in this region.

Where Can I Buy?

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants but doesn't know where to get it. And keep in mind that you can make use of this PURCHASING WEEK *service at any time.*

While you are answering our reader's request, would you also send us a carbon copy of your answer.

"We are looking for a source of supply for squeegee-type brooms that would be suitable in our clothing factory.

"Fiber brooms present the problem of threads and small fabric clippings becoming enmeshed in the hairs of the sweeping surface of the brooms. As rubber-type squeegee brooms do not work well on our dry wooden floors, we would like some sort of durable felt or other substance broom 12 to 15 in. wide.

Marvin J. Kirsten
Falkirk Clothing Corp.
10-20 Astor Place
New York 3, N. Y.

Study of Transport

Los Angeles—The Southern California Research Council is initiating a year-long study aimed at seeking solutions to the many transport problems currently plaguing southern California.

Dr. Joseph Haring, Occidental College faculty member and project research coordinator, said the program will cover both existing and proposed forms of transportation. The study, said to be the first of its kind conducted on a regional level, is being sponsored by 25 business leaders at Occidental and Pomona colleges.

This Week's

Foreign Perspective

FEBRUARY 29–MARCH 6

London—It's going to get a lot tougher to escape rising prices in British markets over the next few months.

That's being stressed not only by the U.K. government, but also by the Organization for European Economic Cooperation in its latest report on trends in Great Britain.

OEEC gives these three reasons for the coming price rises: likelihood of a hike in prices of imports, smaller productivity gains, and labor pressure for higher wages.

OEEC offers a reassuring assessment of British industrial prospects for 1960, however. Its report states that while imports will rise this year, exports also will grow in relation to the volume of world trade.

The report also maintains that it's still too early for the U.K. to start damping down industrial expansion. Reappraisal of the government's economic policy, OEEC advises, should wait until summer.

British authorities, however, expressed less confidence in current trends than did the OEEC report. Big industry investment plans, coupled with increased demands for higher wages and fewer working hours, have convinced English officials that a new policy of restrained government spending is needed now in order to check what they feel may develop into a "runaway price and wage" situation.

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Montevideo, Uruguay—Seven Latin American republics last week signed a common market treaty that will link up their economies in a new Western Hemisphere free-trade zone.

The treaty provides for gradual elimination over a 12-year period of all trade restrictions on at least 75% of the trade betwen Brazil, Chile, Mexico, Paraguay, Peru, and Uruguay. Other Latin American countries are free to join the pact at any time.

While it's still too early to predict the possible effects of the new common market on export prices, one thing seems fairly certain at this point: The U. S. will step up its purchases of materials from member countries.

Delegates attending the signing called on the U. S. to support the new group by providing loans to private industry seeking to expand in the area.

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Berlin—Communist East Germany is going after Western markets in a big way this year.

The Red satellite government said it has reorganized its entire system of export agencies to facilitate shipment of goods to the West, where it is hoped buyers will offer Red manufacturers prospects of greater profits on their sales.

The reorganization involved creation of at least two new agencies—one to handle radio and TV sets, electrical heaters, batteries, bulbs, and communications industry parts and equipment. The other new group will push sales of photographic and cinematographic equipment.

The government also split up its former DIA-Polygraph Export Agency. In the future, all typewriter, computer, and office equipment sales will be handled solely by the "Buromaschinen-Export GH."

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London—World-wide sales of a highly-touted seagoing petroleum container will begin this week.

The floating tank, manufactured by Dracone Operations Ltd. is a nylon "bubble" with an interior coating of acrylonitrile rubber and an outer sheet of neoprene.

Flexible Dracone tanks are already being used commercially in the U. K., a company official said. In addition, he added, firms in Nigeria and the Far East have now started shipping petroleum products, liquid chemicals, edible oils, grain, and rice in the tanks, which range in capacity from 15 to 320 tons.

Montreal—Canadian railways are pushing container and piggyback operations to maintain the wholesale comeback they've made in the transportation field.

A. H. Hart, Canadian National Railways vicepresident of traffic, told a recent meeting of agricultural products experts that his railroad was looking into distribution of fruits and vegetables by containers.

He cited containerization as the only way to counter increased costs of transportation. "Much of the future distribution," he predicted, "will have to be done with containers to furnish faster service at less cost."

In addition to containers and piggyback, Hart said the CNR is currently experimenting with mechanical refrigerator cars, some of which can be cooled to zero degrees and below. The experimental service—now being offered on Montreal-to-Maritime provinces runs—includes free refrigeration, split delivery, and division and reconsignment en route.

"This service," Hart said, "is still considered on an experimental basis. But, it has met with such success, and shipper demand for it has been so great, that there is little doubt that it will be expanded."

• • •

Bonn—Personnel changes are an important cost factor in industry, a leading German industrialist asserted last week.

Carl H. Schwennicke, director of Siemens, told a meeting of the Rationalization Curatorium of German Industry, that it costs a German company $240 when a skilled worker quits his job.

German firms are out $480 when a white collar worker changes jobs and up to $2,900 if a top salary employee decides he needs a change, Schwennicke said.

Since the annual personnel changeover rate in Germany averages 20% to 22%, he continued, a firm with a 1,000-man labor force spends at least $48,000 a year on "fluctuation."

This Week's

Purchasing Perspective

FEB. 29–MAR. 6

(*Continued from page* 1)

7¢ to 10¢ an hour the second, setting a trend for the entire glass container industry.

In textiles, workers are about to collect a 5% pay increase, about 7½¢. Packing house workers ended a long strike at Wilson after getting about 25¢ an hour in wages and other benefits in a two-year package. The entire copper industry finally racked up a final settlement within the steel pattern, and in New York City laundry workers affiliated with the Amalgamated Clothing Workers obtained 5¢ to 10¢ an hour increases.

Two big hurdles still ahead are railroad and electrical industry bargaining. In rails the engineers' agreement to send wage demands to arbitration virtually sets the stage for a railroad pact. The final award for the engineers won't necessarily mean the same terms for the other operating railroaders, but putting the issue up to arbitration virtually assures a wage boost for the others.

The real rough battle ahead is the electrical workers' talks with General Electric and Westinghouse; but even there the key issue appears to hinge on worker security rather than wages.

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PRICE DOUBTS?—The swiftness with which supply closed on demand following the steel strike has producers geared for a late second and third quarter production slack. Mill salesmen already are out beating the bushes for new orders; and reports of bargains are widespread in the warehouse market.

That's why industry executives, while still confident 1960 protion will top the record output of 117-million ingot tons in 1955, have substantially lowered the 130-million-ton forecast aired so freely barely six weeks ago.

That's also why some industry observers already are discussing the possibility that the anticipated basic steel price increase will be somewhat slower in coming than previously predicted. A few now believe it will be 1961 before producers will ask customers to foot some of the steel settlement labor costs.

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PERSONAL—Shopping for stereo equipment? You're likely to find some real bargains soon in multi-unit sets. Manufacturers, yielding to housewife whims for an uncluttered living room, have decided to concentrate on single unit home equipment. That means some makers and distributors will be offering bargains in the multiple unit setups.

Purchasers Look for Magic Buying Formula—But Can't Find One

(*Continued from page* 1)

deal of importing. On the other hand, if the firm has reciprocal agreements with certain important U.S. suppliers, it may find itself "walking a tightrope."

Q. How will buying abroad affect my particular industry?

A. It can help industries where foreign parts and materials are necessary to keep production costs on equal footing with overseas competitors. This can backfire, however. One such example is the nail industry which began buying cheap foreign steel. Now these same overseas suppliers are making their own nails and have just about wiped out the American nail industry.

Q. How will buying abroad affect the nation's economy?

A. When there is a shift to foreign suppliers because of price alone, it hurts the American economy. Traditionally, we are a producing-consuming nation, not a trading nation. By buying abroad, we are exporting our own capital and labor, thus contributing to the weakening of our own best customer—ourselves.

Irving Lipkowitz, director of economic affairs at Reynolds Metals Co, summarized these three points when he told the P.A.'s:

"The purchasing executive, as a policy making member of top management, must begin to accept his responsibility, which goes beyond the interests of his company to include his industry and his country. He must adopt the over-all view when faced with a decision to buy or not to buy abroad."

Discussing his firm's decision to reach out for overseas suppliers, S. H. Mesha, purchasing agent for Arnold Schwinn & Co., Chicago bicycle manufacturer, pointed out that his company's products were almost priced out of American and foreign markets by English and German bicycles.

"We then began importing cheaper, foreign made components," Mesha said, and today Schwinn is back in business and going strong."

But the bike company executive also warned against the many pitfalls of foreign purchasing, not the least of which is long lead time.

"Be prepared to carry bigger inventories," he said, "because conflicting peak periods between your company and the foreign supplier may necessitate buying during your slack period. In addition, delivery times of as long as three months could wipe you out competitively if you're dealing with highly stylized items. Your product could become obsolete by the time it arrives in this country."

Truckers Set for Fight on Freight Rates

(*Continued from page* 1)

expected to oppose it as vehemently as they have the two earlier rate offers.

Soo Line's offer of sliding scale rates would get it new business in residual fuel oil shipments between Superior, Wis. and six mines in upper Michigan. The rate now is 26¢ per 100 lb. in five or more carloads under a single bill of lading, but a contract between River States Oil Co. and Cleveland Cliffs Iron Works resulted in this offer:

On volumes from 5 to 10 million gal. annually, 24¢ per 100 lb.; from 10 to 20 million gal. annually, 22¢ per 100 lb.; and over 20 million gal., 20¢ per 100 lb.

A shipper would have to apply for the rates, and guarantee to make up the difference between the guaranteed rate and the regular rate if his shipments fell below 5 million gal. annually.

Truckers were successful in having another type of rail "bargain" rate—"all-freight" boxcar rates—suspended by the ICC last week. At least four Eastern railroads were planning to put these rates, which do not differentiate between the classes of goods carried, into effect March 1.

River State Oil could ship by barge to Marquette, Mich., and complete the short haul to the mines by truck or railroad. However, the company says it prefers delivery solely by railroad, and claims the new rates offered by Soo Line just meet the price of competing carriers.

If the Soo Line's new rates get to the ICC, they are likely to be suspended for the standard seven months, and hearings ordered. The commission's final action on the residual fuel oil rates, as well as on future offering of guaranteed rates, is expected to hinge on its rulings in the two pending cases. These are:

- Soo Line's guaranteed rates on steel pipe and tubing shipments from Sault St. Marie, Ont., to Chicago. These rates are under suspension and slated to become effective April 9.
- New York Central Railroad's guaranteed rates for rugs and carpeting from Amsterdam, N. Y. to Chicago. These are also suspended, and due to become effective April 29.

Hearings are over in both cases, and preliminary reports from hearing examiners are expected shortly.

There's one distinction between the Soo Line's newest rate plan and the two pending cases. In the earlier proposals, a shipper must guarantee to send a high percentage of his annual volume by rail to qualify for the lower rates.

In the pipe and tubing schedules, 90% of shipments must be by rail. In the New York Central schedules, 80% of a shipper's rugs and carpets must go over the railroad's lines. The residual fuel oil guaranteed rates are based solely on volume.

Rival shippers say the principle is the same, despite the variation in qualifications. An American Trucking Assn. spokesman remarked, "A rose by any other name would smell as sweet."

The American Waterways Operators, the National Water Carriers Assn., the Waterways Freight Bureau, the National Motor Freight Traffic Assn., and the Great Lakes Ship Owners Assn. —with the American Trucking Assn. —have been among those fighting guaranteed rates.

The trucker and barge operator groups have concentrated on opposing the principle of guaranteed rates, instead of stressing specific economic hardship the rates might cause.

An American Waterways Operators official said the proposals now before the ICC "will mean heavy losses for shippers in the Great Lakes, and truckers hauling rugs to Chicago, but the principle of these guaranteed rates is what we're really fighting."

The charges are that the railroads are trying to "destroy the carriers that have the inherent advantage of lower cost," have proposed rates lower than necessary to meet competition, are discriminating between large and small shippers, are violating long-haul and short-haul restrictions, are proposing unlawful rebates, and will violate antitrust laws by restraining trade and monopolizing markets.

The truck and barge interests are waiting for the Soo Line's new proposal to reach the ICC before making their opposition official. But from their initial reactions, there is little doubt that they will fight a guaranteed rate for residual oil just as hard as they have fought the test cases now at the commission.

Top U.S. Agencies Survey Tool Firms On Modernization

(*Continued from page* 1)

ficials of the Office of Civil and Defense Mobilization, the Commerce Department will survey the industry's situation and come up with reports in 6 to 9 months.

These studies will involve surveying of thousands of plants by Internal Revenue Service and/or Census Bureau.

No one expects immediate adoption of policies or programs affecting machine tool supply and demand. One industry official indicates that the important result is that it shows "OCDM is interested in the machine tool industry."

One goal of some of the machine tool makers is to get protection against foreign imports—but the industry is split, since some companies now own overseas plants or buy components overseas.

Commerce Department's Bureau of Foreign and Domestic Commerce will also survey methods of increasing exports of U.S. machine tool makers—and an analysis of the extent foreign tool producers have penetrated U.S. markets through "market manipulation practices"—which is governmentese for extension of long-term credits and the like.

One other recommendation out of the OCDM meeting is that the Small Business Administration draft legislation to guarantee loans for equipment modernization. But top SBA officials point out that since 1953 they have made hundreds of loans from the SBA revolving fund for just such purposes — either 100% SBA funds, or in participation with banks. Hence these officials offhand see little benefit in a loan guarantees program.

At the end of January, SBA had some $200-million of lendable funds in its kitty—in fact, more money than it has borrowers.

Many sizable loans go to metalworking companies. For instance, a recent SBA report shows a $250,000 loan to Missouri Valley Steel, Inc., structural steel fabricator, Leavenworth, Kansas; a $236,000 loan to Carrick Products Co., Inc., a metal-stamping firm, Greenville, Miss.; and the Columbus Jack Corp., Columbus, Ohio.

Late News in Brief

Ford Drops Option

Detroit—The Ford Motor Co., has decided to drop the 128-hp engine option for its Falcon.

A Ford spokesman explained that while the company had built and sold "a few" of the more powerful engines, the marketing was only "experimental." He said the engine wasn't consistent with the "economy image the Falcon was supposed to have."

On the Waterfront

New York—The refusal of Venezuelan longshoremen to handle Grace Lines' new containerships may force the line to suspend its newly established containership service between New York and Venezuela.

A company spokesman said a final decision will depend on the outcome of a meeting this week between the Venezuelan Ministry of Transport and labor officials, aimed at working out an agreement with the longshore union.

Overseas Trade Talks

Washington—A group of U.S. businessmen will meet with Commerce Secretary Mueller this week for the first in a series of conferences to find out what's blocking increased sales of American goods overseas.

Industry officials will have a list of restrictions on sales of American products abroad that they believe should be removed. Mueller hopes to have recommendations ready on this problem for the General Agreements on Tariffs and Trade meeting in Geneva this fall.

Price Boosts Will Be Scattered

(*Continued from page* 1)

"If prices rise in steel we may have to absorb some of the increase. We just can't raise our prices to offset both our own wage hikes and the increased costs of steel. We will suffer by way of a narrowing profit margin."

• **SOFT GOODS PRICES:** Stability is generally the order of the day here—except in rubber and textiles. Replacement tires, for example, recently went up 3%-5%. In textiles, a 5% wage boost will be enough to set off selective rises in many areas of the industry.

PRICE PRESSURES

Despite the relative stability noted above, the pressures for price boosts are still around. First, and most important of course is the steadily rising pay scale in American industry. Judging from PURCHASING WEEK's spot check its a pretty pervasive trend.

While details may differ, most firms note the cost of contracts signed or in the process of being signed are quite similar to that of the steel pact. And that goes whether the contract is with the United Steelworkers or with any of the other big nationwide unions.

Agreements in almost all cases call for wage boost amounting to 3%-4% per year.

Moreover, rising wage levels aren't the only problems plaguing cost-squeezed suppliers. Materials, overhead, and transportation have all been rising. And most producers see little chance of a leveling out in these important costs over the next few months.

Most firms believe that productivity gains will not be sufficient to balance out these higher wage and other costs.

Donn D. Greenshields, president of the Screw & Bolt Corp. of America sums up his feeling on this important subject: "Speaking just for our own company, our new plant at Mt. Pleasant, Pa., gives us some improved productivity. But my guess is that the fastener industry, as a whole, hasn't added enough productivity to offset higher costs."

SPECIAL CASES CITED

In the areas where price rises already have occurred, they usually stem from a variety of causes peculiar to a specific industry.

Many railroad equipment firms, for example, have so-called "escalator" clauses. These provide for automatic pass-throughs of increased wage costs.

Big firms such as Pullman-Standard Car Manufacturing Co. and A. C. F. Industries, Inc., have such provisions in their contracts —and indicate that they intend to use them.

In farm equipment, announced hikes are intended to eliminate a growing profit squeeze stemming from three sources:

(1) Falling volume (a 10%-15% decline anticipated for 1960) is tending to raise unit labor costs; (2) the industry has been paying higher wage costs ever since last year's settlement with the United Automobile Workers; and (3) costs of components have gone up.

In light of the above, the rise—averaging 2%-3%—is relatively small. But it's on an industry-wide basis, with such giants as International Harvester and Deere and Co. participating in the increases.

OTHER PRICE HIKES

Construction equipment is another area where price rises are imminent. One major distributor in the Midwest says five large equipment makers and seven smaller ones are planning price hikes on or around March 1.

This distributor is using a new order form which says in effect: "No prices quoted at this time shall be considered firm. Selling prices will be those in effect at the time of delivery."

Among manufacturers of crawler tractors who have already raised prices are International Harvester, J. I. Case, and Oliver. The price increases are generally in the neighborhood of 2% to 3% on the models effected.

In textiles, extent of any rise is open to speculation. Last year when a wage increase was posted, prices rose on a broad industrial front. But demand isn't nearly so firm now, so increases should be more selective and less sharp

Industrial fabrics may be one of the areas hit, however. That's because quotes on heavy cotton fabrics — such as tarpaulins, hoses, and conveyor belts—haven't kept pace with the rest of the textile market. And this may be their last opportunity in some time to catch up.

Already affected are knitted goods and denims. Several suppliers already have boosted tags 2% to 3%.

NO DEFINITE TREND

The above rises, while significant, still represent only a fraction of U. S. output. As noted above, the cross currents of wages, prices, and competition will serve to keep most suppliers off balance and undecided about possible price hikes.

American Steel Foundries president Joseph B. Lantermna summed up the attitude of many suppliers when he commented on a new contract covering 2,250 workers affiliated with the United Steelworkers.

Said Lantermna: "Under this contract we will pass along what competition, customers, and economic conditions in each group of products will permit."

Supporting him, a top executive of a major steel fabricator in Pittsburgh comments: "In our business, the squeeze is still on. We estimate our labor costs up about 4% a year. But so long as there is such a huge overcapacity in fabricating, we find it difficult to pass along much of this increase."

Yet not all firms are this pessimistic. One big West Coast producer of industrial equipment and boilers states: "If steel mills raise their prices, fabricators will have to raise theirs by an even greater amount. For several other costs would go up besides steel itself—distribution, agent markups, and so forth."

ROLE OF COMPETITION

But few suppliers find themselves in a strong enough position to allow full "pass-through." For most, competition (both foreign and domestic) is just too strong. The vitality of foreign competition is stressed by several big West Coast firms, perhaps because they are often closer to foreign sources than domestic ones.

As a matter of fact, the West Coast rapidly is becoming a sort of "deluxe dumping ground" for imports. Japanese wire products (notably nails) and pipe are singled out by several firms for special mention. And statistics bear out this trend. For example: Last year eleven Western states imported 120,000 tons of rebars —compared with 50,000 in 1958.

Eastern fabricators also note inroads being made by foreign producers. One Pittsburgh official expects foreign suppliers soon to offer heavy structural shapes at below U. S. mill prices. He expressed the fear that the price squeeze on fabricators would then force many to switch to lower-priced foreign steel.

Others don't find foreign competition the main culprit. R. C. Mahon Co., the largest steel fabricator in the Detroit area, thinks foreign competition from Germany and Japan is a minor factor. Domestic competition from other industries is more important. The firm notes, for example, that more bridge builders are using prestressed concrete instead of steel.

PRODUCTIVITY

Industry spokesmen are not too optimistic about productivity gains. Robert S. Burns of the Standard Steel Corp. has this to say about the outlook for any increases in worker output:

"There's nothing in the fabricating industry that can accomplish that. There's been no improvement in the technology in years. There have been no recent new methods of forming and welding steel.

"Fabricators are still working for the most part with hand tools. And there is very little that we can look forward to that would raise the productivity of the individual workers."

Officials of Bryant and Corbin Iron Works of Charlestown, Mass. are a little more optimistic. To offset rising wages, they say, the company has had to install more labor-saving devices. The company has an incentive plan—the more profits, the bigger the end of the year employee bonus.

THE COST OF STEEL SETTLEMENT

What the Steelworkers Get

January 1960:	
Companies absorb insurance cost, increasing take home pay by	**6.0¢/hr.**
December 1960:	
Wage increase	**8.2¢ avg.**
October 1961:	
Wage increase	**7.6¢ avg.**
Fringe benefits (immediate)	
Improved insurance coverage	**1.4¢**
Improved pensions and cash on retirement	**3.6¢**
	26.8¢
PLUS: Possible further wage increases to compensate for increased cost-of-living since January 1959	***6.0¢ (max.)**
TOTAL:	**32.8¢/hr.**
Compared with increases under new contracts in:	
(1) Container industry	**34.2¢**
(2) Aluminum industry	**35.1¢**

***These payments are to be reduced if insurance costs exceed original estimate. A maximum payment of 3¢/hr. will be made in December 1960, if the cost-of-living index has not declined from its present level and insurance costs have not risen. Workers are eligible for a maximum of 3¢ more in 1961, if the cost-of-living index rises again and this is not offset by rising insurance costs.**

Timetable of Cost Increases to the Steel Companies

January 1960:	
Improve insurance plan and absorb full cost	***7.0¢/hr.**
Improve pensions	**3.6¢**
TOTAL JANUARY 1960	**10.6¢**
December 1960:	
Wage increase	**8.2¢**
Effect on incentive pay, overtime pay, social security taxes, etc	**3.0¢**
PLUS: Probable increase in pay, based on higher cost-of-living index—or in insurance costs	**3.0¢**
TOTAL DECEMBER 1960	**24.8¢**
October 1961:	
Wage Increase	**7.6¢**
Effect on incentive pay, etc.	**2.3¢**
TOTAL OCTOBER 1961	**34.7¢**
PLUS: Possible further cost-of-living adjustments or increases in insurance costs	**(3.0¢)**
Effect of 2c. of 1. increases (if paid) on overtime pay, etc.	**(1.1¢)**
	38.8¢
Possible additional payment for supplemental unemployment benefits	**(2.0¢)**
TOTAL COST TO JUNE 1962	**40.8¢**

***Any cost above 7.0¢ to be offset against cost-of-living pay increase, as noted below.**

Price Changes for Purchasing Agents

Item & Company	*Amount of Change*	*New Price*	*Reason*
INCREASES			
Gasoline, 91 octance, Mid-Cont. refiners, bulk gal.	.005	.115	offset fuel oil cuts
Cotton denim, 10-oz., 28-29", indigo, yd.	.01	.395	high demand
Mercury, 76-lb. flask	$1.00	$212.00	low supply
REDUCTIONS			
Gasoline, New Hamp., (3 counties), dlr. tnkwgn., gal.	.008-.019	....	competition
consumer tnkwgn., gal.	.004-.019	....	competition
Light heating & diesel oils, Esso, Atlantic Coast, gal.	.008	....	oversupply
Baton Rouge & New Orleans, gal.	.006	....	oversupply
Fuel oil, #2, Mid-Cont. refiners, bulk, gal.	.0025	.0875	oversupply
Hypalon synthetic rubber, type 20, DuPont, (Mar. 1), lb.	23.	.47	expand market
Copper, Katanga (Belgian Congo), lb.	.0135	.3175	improved supply
Home heating oil, tnkwgn., Standard (Indiana), gal.	.01	....	warm weather
Standard (Kentucky), gal.	.005	....	warm weather
East Coast, Sun Oil, gal.	.008	....	warm weather
Gasoline, Gulf Coast, (except 95 octane), gal.	.00125-.00625	....	warm weather

Relief for Steel Fabricators Stung By LIFO Regulation May Be Coming

Washington—A bill giving tax relief for steel fabricators who were unable to keep inventories at normal levels during last year's steel strike is being studied by the Treasury Department.

The measure is designed to come to the aid of users of the LIFO—last in, first out—method of inventory accounting. As long as a user of this method is able to replace inventory in a normal manner, it gives him a tax advantage in a time of generally rising prices. A good many steel fabricators adopted it in recent years—just how many, the Treasury is now trying to find out.

Artificially High Profits

During a period of inventory depletion, however, the LIFO method creates an artificially high level of profits and thus builds up an unusually heavy tax liability. Unless something is done to change the law, experts are convinced that money will be siphoned away in taxes that rightfully should be available to steel fabricators for rebuilding stocks.

Backers of the bill are hoping they can get Congress to pass the bill this session but admit they need Treasury support.

Rep. Noah Mason (R., Ill.), ranking Republican on the tax-writing Ways and Means Committee of the House, introduced the bill last year. The Treasury is conducting a survey to determine how severe a tax burden the strike caused. Mason hopes the treasury will have its report ready by the end of this month.

The method suggested in Mason's bill is to allow the taxpayer to treat inventory replacement carried out over a three year period as if it had, in fact, been carried out in a single year. This has the effect of decreasing taxable income for the year of liquidation. It would apply in the future to any case where inventories are depleted due to labor disputes.

DuPont Chops Hypalon Price Tags

Wilmington, Del.—Du Pont cut prices on its Hypalon synthetic rubber last week from 10-23¢ per lb. in an effort to broaden the market for the highly-touted elastomer produced by the company.

The new prices, which go into effect March 1, now range from 47-60¢ per lb. as compared to a single price of 70¢ when the material first went into commercial production.

The reductions reflect Du Pont's expectation that Hypalon will become an important factor in the growing number of applications for estomeric products where colorability, weatherability, and oil resistance are required of the product.

Versatile Material

The versatile material, a company spokesman said, can be molded or extruded smoothly, made into sheet form, or put into solution for use in protective and decorative coatings and paint bases.

Its many applications include white sidewall tires, wire jackets, hose tubes and covers, molded products, belting, industrial rolls, packings and gaskets, and tank linings.

In addition, it is used for anti-corrosive industrial coatings and a wide variety of other consumer products.

As a result of the new prices, Hypalon is expected to develop important new applications, particularly in the construction industry.

White Oil and Petroleum Refiner Changes Its Name

New York—A leading New York white oil and petroleum refiner, L. Sonneborn Sons, Inc., has changed its name to Sonneborn Chemical and Refining Corp.

The 57-year-old firm manufacturers a line of medicinal, cosmetic, and technical white oils, medicinal and technical petrolatums, petroleum sulfonates and waxes, as well as Pennsylvania and Amalie motor oils.

His customer needed cable fast—
to cover a breakdown. It took a weekend
of teamwork to handle the

Emergency at 5:05!

Friday, 5:05 P.M. The call caught me just as I was leaving the office. One of my customers* in Seattle was in trouble.

I'm Tony Mitrovich—District Sales Manager for Rome Cable in Seattle.

A big piece of equipment had broken down and my customer needed 500 feet of 5-KV cable *fast!* I wasted no time getting Long Distance. The answer lay some 2500 miles away—in Rome, N. Y.

Friday, 8:15 P.M. Rome time. I had the Sales Service Manager at Rome on the line. I caught him at home. As I got the story later, my request triggered a chain reaction of events. Here's how they went.

Friday, 8:30 P.M. The Sales Service Manager at Rome tried to contact the Head of the Shipping Department. No luck. He tried the Traffic Manager at home. He was out bowling in the Friday night league. Only one thing to do . . .

Friday, 9:30 P.M. He located his man at the bowling center; both went back to the plant that same night, located the right cable in stock and got it out.

Friday, 11:00 P.M. Order completed!

Saturday morning, 7:30 A.M. 500 feet of cable was taken to the airport, where it was shipped by air to Seattle.

Monday morning, 7:30 A.M. in Seattle. The cable was on the job.

That's teamwork. That's the kind of support that makes my job a pleasure—and makes lots of friends for me.

And that's the kind of service that helps lots of my customers out of jams—makes them loyal Rome Cable customers.

**Name furnished on request*

ALCOA
ROME CABLE DIVISION

This story typifies the service you can rely on from your Rome Cable salesman. He links you directly and quickly with the facilities and engineering skills at Rome—not only during emergencies but also during any special demands of your job. When you have a wire and cable problem of any kind, give him a call.

ROME CABLE
DIVISION OF **ALCOA**